ENANCIALTIMES

PUBLISHED IN LONDON AND FRANKFURT

Monday January 21 1980



UK drugs

manufacturers pharmaceuticals

● EUROPE'S 11 leading man-made fibre producers will today

tell the Brussels Commission that their market sharing "price cartel" has been

• CONSUMER CONFIDENCE

is at its lowest level since 1975,

according to the latest FT

survey, at minus 41 per cent

against minus 40 per cent last month and minus 27 per cent

a year ago. There is no sign

ANDREW BRITTON has

been appointed to run the monetary analysis and forecast-

ing unit at the Treasury. Page 3

• STEEL STRIKE has not yet

barmed fuel industries, but if it

extends to private sector steel

plants cutting power demand sharply. Electricity Council finances will suffer. Page 3

• EASTERN AIRLINES of the

U.S., which is buying 25 Euro-

pean A300 Airbus airliners

• FOREIGN EXCHANGE trad-

krone, devalued twice since last

March, again fell and by Friday

was the second weakest cur-

currency since late December.

EMS January 18,1989

The charts show the two constraint

The charts show the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross-rates from which no currency (except the lire) may move more than 2½ per cent. The lower chart gives each aurrency's divergence from its "central rate" against the European Currency Unit (ECU), Itself a basket of European currences.

the U.S., the world's largest

Lombard: Samuel Brittan

Rack Page

abandoned. Back Page

of a recovery. Page 3

Back Page

GENERAL

ITT may Japan hive off faces concern scandal ASHE CHEMICALS, the British subsidiary of ITT which

e former major-general and and was acquired by the U.S. conglomerate in 1972 for £8.9m. two active junior officers of the ground self-defence force, in what may be the most controvermay now be sold. The price is likely to be over £10m and the sale fits into an FIT policy, aimed at divesting itself of nonsial post-war espionage case involving the Soviet Union in Japan.

The men may have sold the Soviets military secrets con-cerned with equipment and strategic policies. There are suggestions that the chief of the Defence Agency, Enji Kubota, may resign Back Page

Sunni recognition

Ayatollah Khomeini, leader of Iran, has cleared the way for constitutional amendment which should alter the tense relationship between majority Moslems and minority Sunni Moslems. Page 2

Officer killed

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An Ulster prison officer was found shot dead in the wreckage of his crashed car near Limavady, Co. Londonderry. The unnamed officer, aged 35, was the first to be murdered this year, and the 18th to die in the IRA's campaign against the

Soldiers caught

Three soldiers who broke out of an army detention centre in Northern Ireland on Saturday were back in custody. One gave himself up to the police and the others were captured in Co.

Jewellery change and sterling ineved erratically British jewellery design may undergo fundamental changes demand for Government stock undergo fundamental changes

as manufacturers reduce the were matched by mounting fears amounts of precious metals in their products because of the soaring price of gold and silver. trading was the rise in Sweden's

Basque bombing Four people died and at least

10 were injured when a bomb exploded in a par in Bilbao, the Basque provincial capital. No-one immediately claimed responsibility for the bombing. which brought the death toll from political violence in the region to 10 this year.

Summit call

President - Anwar Sadat of Egypt supported the suggestion of Israeli Prime Minister Menahem Begin that another tripartite summit with President Carter was needed to solve the problem of Palestinian autonomy. Page 2

EEC strike off

A last-minute change of position by West Germany has almost certainly averted a strike over pay demands threatened by 1,500 staff at the Council of Ministers in Brussels.

Nkomo pian

Patriotic Front leader Joshua Nko: 10 urged the integration of his own forces with those of the hodesian security forces in order to avert another war after the February elections. Page 2

Briefly . . .

An attempt to televise House of Commons proceedings seems likely to fail, after 53 per cent of MPs who took part in an opinion poll said they were against the idea. Page 3 Former Indian Premier Charan Singh was re-elected leader of the opposition Lok Dal (People's CATERPILLAR Tractor of

Forensic experts were investigating a fire at a holiday home equipment, had its final quarter gating a fire at a holiday home gating a fire at a holiday home in Wales, after several attacks earnings for 1979 virtually wiped in similar properties in recent out following a long strike. on similar properties in recent

CONTENTS -

for chairmen 10 South-West Asia: The arc on a solution to the of crisis 11 mortgage rates 8 Management:

Pirelli's fortunes 7 Editorial comment: Yugo-slavia; steel strike 10 Week in the courts:

Responsibility of a land- Survey: Turkey Inset TV and Radio UK News Unit Trusta Exchaq'r '83, £800m

For latest Share Index phone 01-246 8026

New moves likely soon for steel strike negotiations

BY CHRISTIAN TYLER, LABOUR EDITOR

Further efforts to bring the steel unions and the British Steel Corporation back into negotiation are expected in the next few days as the strike approaches its fourth week.

Officials of the Advisory Coningly serious deadlock.

Today the Prime Minister will involve herself for the first time in an industrial dispute electronic concerns in Europe. when she meets Mr. Bill Sirs of the Iron and Steel Trades Confederation and Mr. Hecter Smith of the National Union of Blastfurnacemen.

Later she will see Sir Charles Villiers, BSC chairman, and Mr. Bob Scholey, chief executive. Although Mrs. Thatcher can be expected to put consider-

able pressure on the union leaders to look again for a negotiated settlement, she will offer no instant solutions to their members' pay grievances.
Sir Keith Joseph, the Industry Secretary, categorically rejected yesterday the suggestion by Mr. Sirs that some of BSC's £450m allocation from the Government for the next financial year for investment should be diverted into steelworkers' wage packets and re-

dundancy pay. He repeatedly stressed in an interview on independent tele-vision, that "taxpayers money" could not be used to fund the steelworkers' pay rise.

ciliation and Arbitration Ser- Prior, Employment Secretary, ing around to see how they can vice will probably interview explained the Government's get out of this dilemma." both sides to break an increas- position when he met Mr. Sirs and Mr. Smith on Saturday.

Although hopes of a settlement appeared to have been lifted slightly by the involvement of Ministers, there was no sign from the BSC last night that it was ready to shift toward the unions' conditions for resuming negotiations.

The real stumbling block is the comporation's refusal to make available any new money at all unless that money is saved by further job losses and more efficient working. The unions insist that a substantial part of the eventual pay rise should be free of strings.

Mr. Sir's said yesterday at a rally of steelworkers in Wolverhampton that he dld not expect to get anything out of the meeting with the Prime Minister. But she will learn the truth of the situation from me." Until there was more money on the table there could be no settlement, he said. "I would die of shame rather than accept

the present offer." But he saw the Ministers' involvement as "a bit of crumbling of the iron wall." The BSC had to respond to the

Sir Keith, with Mr. James unions, and people were "search-

Despite the gulf that still remains to be bridged before any kind of productivity bargaining can begin, Ministers closest to the dispute believe it not unbridgeable.

This belief has strengthened their determination not to risk the Government's credibility by positively intervening in any talks-a course of action that would in any case be unpopular with BSC itself.

Elipor Goodman writes: There were signs yesterday that other Ministers were increasingly anxious that a solution found before damage to other nationalised industries to their losses and added threatened their cash limits. and before private industry was

as decided by the ISTC, in a week's time.

A number of Sir Keith's colleagues say that he has not helped the situation by his dogmatic approach. Continued on Back Page

Editorial comment, Page 10

CBI plan for working hours worth about \$900m (£395m) is now considering another purchase to double its Airbus fleet. on 'annual time budget'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A SUGGESTION that working holidays and when the TUC is agreements bringing manual about the steel strike. The main factor in European currency discount rate, which did not directly affect the European Monetary System Italy's Foreign Trade Minister disof a possible plan to meet Britain's industrial and social counted hira devaluation while requirements of the next decade. that currency remained in the This could open the door to middle of the EMS. The Danish

cutting working hours while avoiding cost-raising changes in work practices. It is one of six proposals on rency, ahead only of the Belgian employment and productivity tabled by the CBI for discusfranc. The French franc has been the strongest EMS sion with the Government and the TUC in an attempt to generate 25m new jobs over the

next decade and to make industry more profitable. The CBI says measures either to reduce the supply of labour or the amount of time actually worked should be studied against the need to improve productivity and profit-

ability.

It is putting forward these proposals as trade unions lodge bility throughout the year, claims with employers for a including holiday provision." shorter working week and longer

hours might be calculated on an urging that the introduction of and office workers into a single

The proposals will be on the agenda for joint talks between the CBI and TUC, which were agreed in principle at the National Economic Development Council two weeks ago, and which should take place within the next few months.

Explaining its annual time budget idea, the CBI says: "It could be that in certain circumstances increased holiday entitlement or an extra shift can be more easily absorbed in cost and production terms than a reduction in the length of the shift or the working day.

"It may be sensible to consider hours as part of an annual time budget rather than in relation to the normal working week. This would be one way achieving maximum flexi-The idea of introducing

"Without it the real danger is that sooner or later. bargaining pressures will force through reductions in hoursperhaps after damaging disputes — which will make British industry less competitive."

Also included in the CBI's list of six proposals on employment and productivity is the need for a broad agreement with the Government and unions on the scale of potential unemployment, and in particular the employment implications of new technologies.

The CBI also wants agreemen on increasing productivity, improving the work of the labour market, retirement age (which it says could be fixed flexibly between 62 and 70), and education and training.

Launching the report at the

weekend, Mr. Richard Dixon, Continued on Back Page

Ministers back 'enterprise zones'

BY ELINOR GOODMAN, LOBBY STAFF

the idea of setting up about six "enterprise zones" in which regulations and public charges would be kept to a minimum as a means of attracting business back into run-down areas.

The package of incentives which looks like emerging over the next few months will almost certainly include rates relief for companies starting up business in these areas. This will involve a small increase in public spending at time when the Government is

seems to have enough powerful backing in Cabinet to ensure its survival in some form when it comes up for a final decision.

Precise details of the scheme.

which was originally proposed in Opposition by Sir Geoffrey Howe, the Chancellor of the Exchequer, still have o be agreed. So, too, has the list areas involved. Ministers have studied a long list of possible areas including some worst hit by steel The argument now seems to over the years.

MINISTERS ARE understood looking for big economies. But be whether the zones should be to have agreed in principle to the idea of enterprise zones set up in those areas where the need to create new jobs is greatest or in areas where they might stand a slightly better chance of demonstrating the practical advantages of cutting down on red tape and offering businessmen the incentives they say they want to start new enterprises.

The basic idea, however, remains that the zones should be used to-encourage businessmen back into areas which have become steadily more run-down

Rift over flags of convenience

BY WILLIAM HALL

A MAJOR rift has emerged developing hetween countries and the developed countries over controversial plans by the Nations Conference on Trade and Development to phase out flags of convenience

lution to an UNCTAD working of UNCTAD in Manila. party calling for the phasing out of the ags.fl

It had been hoped that this would give a basis for discussion with other UNCTAD members. However the majority of developed countries have up with what are effectively counter-proposals. although they refer to them as their conclusions and recommendations.

AND THE RESIDENCE OF THE PROPERTY OF THE PROPE

The developing countries want vessels under flags of conveniflags of convenience to be phased out and the developed countries do not.

ability of phasing out the flags representing the developing first met in 1978 and was reconcuntries presented a draft resolution to an INCOLAR action to action to

Since under-developed countanker cargoes and over onethird of the dry bulk cargoes, it is argued that they should be given the right to a bigger share of the world fleet.

The UNCTAD secretariat has out open registries (the techniargued that one of the main cal term for flags of conveni-

ence. This enables them to hire cheap crews and pay little tax. Flags of convenience shipping The UNCTAD meeting in fleets have been growing rapidly Geneva is discussing the desir in recent years, and account for in recent years, and account for nearly one-third of total world shipping.

In drafting their resolution the developing countries made vened after last year's meeting a number of concessions. They said that flags of convenience Since under-developed counshould be phased out over "a tries provide 90 per cent of the reasonable period of time" originally ten years has been

In addition the Group of 77 suggested that any decision on the legal mechanism for phasing ways the West maintains its ence) should be left to the dominance over bulk shipping is Committee of Shipping which by registering many of their meets in the autumn.

Tito rests after left leg is amputated

BY ANTHONY ROBINSON

PRESIDENT Yugoslavia was recuperating last night after the amputation of his lower left leg. Officials reported after the operation that his general state of health remains sound.

The eight-man medical team attending to the 87-year-old President is believed to have delayed the operation at President Tito's request. But the onset of gangrene after last weekend's unsuccessful blood clot removal operation forced them to act.

Top party and Government officials have been in attendance at the Ljubliana clinic in Northern Yugoslavia where the operation was performed. Elsewhere, the Press and radio have insisted on the need for national unity and vigilance.

The armed forces remain on state of low alert and antiaircraft guns have been installed near Belgrade airport.

The President continues to receive a stream of get-well messages and the Albanian The threat to other sectors of Communist newspaper Zeri is the economy will intensify if Popullit yesterday promised the private steelworks are shut, that Albania would fight alongside Yugoslavia if ever Yugo slavia were attacked.

> Albania's message of support ndicates the degree to which Yugoslav - Albanian relations bave improved in recent years after decades of fierce Albanian attacks against Yugoslav revi-

In general, however, Yugo-slav authorities have been less than pleased with messages implying that Yugoslavia is in imminent danger of attack and needs defending. Yugoslavia is appealing for the outside world to take the situation calmly and not to jump to any hasty con-

There have been no signs so far of any military activity by the Warsaw Pact countries in the Balkan area.

Mr. Milovan Dillas, Tito's hours might be calculated on an "annual time budget" instead new technology should be accomined on a weekly basis is put former hours.

annual time budget instead new technology should be accomined to a weekly basis is put panied by cuts in working the confederation of the confeder the Communist "new class." praised Tito's political cleverness in a Press interview.

Mr. Djilas said he saw no one in the present leadership of Tito's level. Although the Soviet Union was not likely to interfere militarily while Yugoslavia remained militarily stable, "Soviet policy, which is aimed at putting Yugoslavia in a subordinate position, will definitely continue."

Editorial comment, Page 10

Carter calls for Olympics boycott

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT JIMMY CARTER individual not national comsaid yesterday he would oppose the U.S. taking part in the Moscow Olympic Games if Soviet troops were still in Afghanistan athletes to resist the sort of n a month's time.

In a television interview, he tion and politicians in general in a month's time.

said he had made his views could bring to be known in a letter to the U.S. their taking part. Olympic Committee, senior members of which met Mr. Cyrus Vance, the Secretary of State an other Administration officials in Washington last Friday.

Mr. Carter said he thought the American people would not support U.S. athletes going to Moscow in the light of Soviet aggression in Afghanistan. Specifically, he added that if there were no Soviet with-drawal, the Olympics should be moved to an alternate site, or multiple sites, or postponed or.

even cancelled. There appears to be broad political support for an Olympic poycott. Senator Edward Kennedy, for example, the President's chief rival in to-Democratic Party in Iowa, said in television interview yesterday that he was in favour

he thought that boycotts, and not from Washington.

opinion, noting that the Olympic policy positions were Games are supposed to foster known.

could bring to bear against In his interview, the President shed little general light on the new foreign policy doctrine he is likely to unveil in his State of the Union message on Wednesday evening. Seeking to deflect political criticism that, as President, he

petition. But, by the same token, it might be hard for

both the committee and the

has been naive about Soviet intentions, Mr. Carter said he had never suffered delusions about long-term Russian intentions but that it was imperative for the two super powers to co-operate as well as to compete.

Mr. Carter was unable to predict an early release of the American diplomatic hostages in Tehran. He was insistent that thte U.S. would proceed with its own economic sanctions against Iran but, in a softer vein, he said he believed that responsible officials in Tehran were now coming round to the view that the greatest threat to Iranian but he added, sharply, that security emanated from Moscow

whether of the Olympics or or grain sales, were merely symbolic and no substitute for what he charged was Mr. Carter's failure to implement an arguing that, in the international atmosphere of crisis, would be improper for him clearly aware of the fact that to appear in public "in the most athletes would prefer to role of a partisan campaigner compete in Moscow, has said it and that in any case his surro-will poll athletes for their gates had ensured that his

Kennedy behind in Iowa

interview, Mr. Kennedy, who only a few months ago was plan-ning a knock-out triumph over Mr. Carter in Iowa and sub- abstinence.

economic policies. The roles of Mr. Carter and Mr. Kennedy have in fact been reversed in recent weeks. Riding on the back of a spirit of national unity evoked by events recovering rapidly from a poor in Iran and Afghanistan, it is early start to his campaign. Mr. Carter who is trying to inflict a political body blow in John Connally, the former Treathe early primaries and not, as sury Secretary, will do no better he was last autumn, merely promising to fight to the bitter Dole, and Congressmen John

On the Republican side, the bringing up the rear.

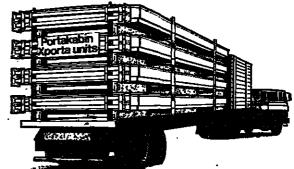
MR. CARTER is reckoned to be lows caucuses will be the first a solid favourite to beat Senator true test of the strength of Kennedy in the Iowa Demo- Mr. Ronald Reagan. Having cratic caucuses. In his television deliberately kept himself above the fray so far, the former Governor of California seems to be running some risk from this

sequent early primaries. He is still expected to win in promised to stay in the race to lowa, but his margin may be the end at least until he had down to below comfortable prodomestic appears to be coming from the indefatigable and well organised Mr. George Bush, the former UN Ambassador and CIA director, with Senator Howard Baker from Tennessee believed to be

> Most experts feel that Mr. Anderson and Philip Crane

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Khomeini clears way for

AYATOLLAH KHOMEINI, the Iranian leader, has cleared the way for a constitutional amendment which should drastically alter the tense relationship between Iran's majority Shia Moslems and minority Sunni

In a statement read on Iran Radio, he said he saw no obstacle to a referendum on a constitutional amendment allowing Sunni Islam to be the official religion in areas where members of the sect were in the majority. At present the constitution gives Shiite Islam as the official religion.

The Avatoliah's comments were in the form of a reply to a letter by Dr. Ibrahim Yazdi, his special emissary on provincial problems, after a visit to Baluchistan in December where at least 14 people died and 70 were injured in communal fighting. Since then Dr. Yazdi has also had to mediate in the Gulf town of Bandar Langeh a permanent government but said.

recognition of Sunnis

unlike the rest of the Middle lessen this.

East which is predominantly Sunni. Shifte Islam has a relgious establishment the top Party has in the sun of t echelons of which can advise, as Ayatollah Khomeini does, on Sunni everyday matters. Sunni Moslems observe no such

Hierarchy. Along with demands for provincial autonomy, the Sunni-Shia differences have been a and Turkomans—all predominant Sunni — have resisted Often with with armed force. The authority of central

Significantly the announcement was made just five days before Presidential elections. The polls are one step in a series of measures to establish

where as many as 50 people died their validity was threatened by the prospect of widespread Iran's population of 34m is abstentions in the provinces estimated to be 93 per cent Khomeini's latest pronounce. Shia and 7 per cent Sunni,

The main Khomeini political party, the Islamic Republican has failed to nominate another candidate after its previous candidate, Jaloloddin Farsi, withdrew when it was Farsi. revealed his father was an Afghan.

The Qom theological school, the main body of clerical opinion, is backing Mr. Hassan Habibi, the spokesman of the major problem in post revolu-tionary Iran. Baluchis, Kurds ruling Revolutionary Council. The favourite remains Mr. Abol Hassan Bani Sadr, the Finance

> Mr. Baniasadr rejected at the weekend any offer of an alliance with the U.S. to counter a potential Soviet threat. "My definition of independence is to be independent of both super powers at the same time," he

Russia aims for Europe detente

BY DAVID SATTER IN MOSCOW

1980 Olympic Games will go ahead despite the "tactics" of the U.S. Administration which it described as "arm twisting, gross pressure and demagoguery." But the commitment pursue detente was reaffirmed.

This was the case despite international opposition to Russian involvement in Afghanisian, the Communist Party newspaper Pravda said yester-The paper indicated the Soviet Union would now work to save relations with Western Europe.

The Pravda commentary said that despite the anti-Soviet campaign being waged by the U.S., the Soviet Union would be seeking to strengthen everything positive in detente in the next few years, "particularly on the European continent."

The national sports newspaper, Sovietsky Sport, in its first direct comment on the issue since the possibility of a major Olympic boycott emerged, said the efforts by "cold war

THE SOVIET UNION expressed instigators" in the U.S. and "attempts by imperialists to confidence yesterday that the Britain "to use sports as an plant mines on the Olympic 1980 Olympic Games will go instrument of their politics" field are being exposed by life

public opinion.
The Soviet Union has staked a great deal of prestige on the success of the Games, which they see as a symbol of international recognition and respect for the country's achievements. Sport

were being rejected by world itself" and denounced speculation in the West that the Soviet Union might boycott the Winter Olympics in Lake Placid as a "slanderous fabrication." It said Soviet athletes were looking forward to the Winter Olympics and actively prepar-

China could get wheat

BY TONY WALKER IN PEKING

THE U.S. may supply China with surplus grain, possibly at preferential rates, left over because of the cancellation of sales to the Soviet Union, according to an American Congressman.

Mr. John Myers, the Indiana Republican, said in Peking that if Congress approved the agreement drawn up by the Carter Administration which gives China most favoured

nation status, the Chinese would be eligible for grain shipments under a provision as a form of foreign aid.

Mr. Myers said that because of the grain embargo, the U.S. would have 15 to 17m tonnes of grain left over, of which 5 to 7m tonnes would be wheat. China last year imported about 10m tonnes of

Sadat backs Palestinian summit

BY ROGER MATTHEWS IN CAIRO

President Carter can resolve the crisis over Palestinian autonomy.

As Cairo newspapers launched into a series of bitter denuncia- severe domestic crises and were tility toward Israel owes much tions of Israeli policy. President Anwar Sadat supported the suggestion of Mr. Manchem Begin, Israel's Prime Minister, that in the Middle East, while in fact another tripartite summit would he needed.

Speaking to a parliamentary delegation from Zaire, Mr. Sadat said he would be going to a summit with the principal intention of ending Israel's military occupation of Arab terri-

Mr. Sadat said Mr. Begin implicitly admitted after their recent talks in Aswan that little progress had been made on Palestinian autonomy for the West Bank and the Gaza Strip. Egyptian publications from the extreme left, through the mainly government-controlled media to

and Israel, saying they were the Soviet Union."
both expansionist, both had This public was both strongly anti-Moslem.

"Israel claims it is the ally and advance base for the U.S.



President Sadat

EGYPT and Israel seem agreed the Moslem right have all attract constitutes the greatest tacked Israel. The daily "Althreat to American interests in Akhbar" devoted a long article the Arab and Islamic world and to comparing the Soviet Union thus renders great services to

This public upsurge of hosto the turmoil in Afghanistan and Iran. Egypt has found itself impotent to act in a Pan-Arab or Pan-Islamic context due to the peace treaty with Israel and its failure to show other countries in the region that it is achieving anything on behalf of the Pales-

• Egypt has not frozen Arab funds held in Cairo but is merely seeking to defer repay ment of them, according to Prime Minister Mustapha Khalil. There was no truth in announcements by the Finance Ministers of Saudi Arabia and Kuwait that Egypt had frozen both Arab funds and property assets, he On the contrary, Arab funds and investments were "secure" in Egypt.

French to raise \$3bn State loan

BY TERRY DODSWORTH IN PARIS

tactics in their funding of the state deficit by deciding to raise FFr 12.5bn (\$3bn) in the first state loan of the year which will be issued this week.

Thi: is much higher than any State loan introduced in recent years and falls not far short of of the total of FFr 15bn raised in three separate steps last year.

During the period of rapidly increasing State deficits of the to have to raise more money past two years, the Treasury has on the market than last year in France.

OBITUARY

absorb demand for funds. Originally, the authorities in- FFrs 50bn. tended staying broadly in line

attracted such interest the Trea-

A problem the Government faces in 1980 is that it is likely

sury has increased its target.

FRENCH budgetary authorities staggered its money-raising because of the planned rise in have shown a marked change of operations to help the market the Budget deficit forecast at FFrs 31bn, but likely to reach

This requirement, plus indicaby raising just FFr 8bn from tions that the last loan of 1979 this initial offer of the year. was not well received by the But the terms of the loan, first market, explains the Treasury's anounced in late December, have attempt to make the new issue especially attractive with a high 12 per cent rate of interest and a novel six-year term. This rate is the highest ever

offered on a Government bond

urges joint force

MR. JOSHUA NKOMO, leader of the Patriotic Front, yesterday urged the integration of his own forces with those of the Rhodesian security forces. in order to avert another war once the February elections were over.

He told a crowd estimated at well over 150,000 in his home town here, that the matter should be considered by the Ceasefire Commission and a decision reached "within two or three weeks." During an otherwise peaceful meeting, four plain-clothed policemen were attacked by the crowd and at one point the senior white policeman in charge threatened to halt the rally if what he called "incidents of mob violence" did not stop.

The four black policemen were all recognised by the crowd while they were on "close security," mingling with the people attending the rally. One of them was armed with

This is the first violent incident of the election campaign, which officially opens this morning when the 10 parties contesting the February 27-29 poll are expected to name their candi-

At yesterday's rally Mr. Nkomo made conciliation between Rhodesians of all races the keynote of his speech. De-manding that his supporters co-operate with the police, Mr. Nkomo went on to de-clare that Rhodesia belonged to both black and white. This country belongs to us both. There will no longer be a master-boy relationship." He added: "I forbid you to do to the whites what they have been doing to us."

Mr. Nkomo urged any of his own Zipra guerrillas still out in the bush to hand themselves over to the police or the monitoring force im-mediately, so that they could be taken to the assembly places.

e appealed to Lord Soames, the British Governor, not to call on the Rhodesian armed forces to discipline or disarm his men and he again attacked the deployment of the auxiliaries, now part of the forces recruited as a private arm for Bishop Muzorewa, and largely unmonitored by the Commonwealth force.

Political rallles were held in many parts of Hnodesia yesterday, though none matched Mr. Nkomo s in size. In par-ticular, the Rev. Sithole, leader of the "internal" Zami only got some 15,000 supporters at the Zimbabwe grounds in Highfield where last Sunday Mr. Nkomo drew some 120,000 to 150,000. Bets are out already on how big a crowd will arrive to see Mr. Robert Mugabe, leader of Zanu (PF) who, his officials say, has now permission to return to Salisbury next

Meanwhile the first of an estimated 250,000 refugees will begin to return to Rhodesia today as part of an interco-ordinated nationally repatriation scheme. The refugee operation is under

the overall control of the UN Commission Refugees which has launched a \$22m appeal. The exercise is fraught with potential political problems as the nationalist parties want as many adult voters as possible to return before the elections and the Rhodesian authorities are insisting on a screening process to make sure that guerrillas do not return in the guise of refugees. There are about 25,000 refugees

in Botswana, 60,000 to 70,000 in Zambia, and 150,000 in Mozambique. Not all will arrive before the election. It is thought that four reception centres which will open initially may be able to cope with between 10,000 20,000 a week.

Nkomo | Leyland launches Landtrain truck

BY KENNETH GOODING

LEYLAND VEHICLES expects to earn around £52m a year from a new range of rugged. bonneted trucks designed for Middle East, African and Far

East markets.
Until now the range has been code-named T43, but in future the models will be called Landtrain. Leyland claims it is the only range from any European manufacturer to be designed specifically for the markets at which it is aimed.

Built-up units will be exported to countries such as Egypt, Jordan, Kuwait and Sandi Arabia with Nigeria, Sudan and Kenya using their own local facilities to assemble vehicles from kits.

The highest sales potential is expected to be in Nigeriawhere Leyland opened a new truck plant last year—Saudi Arabia, Sudan and the Arab Gulf States. The Landtrain is being built

at the Guy plant at Wolver-hampton. In the first year it is expected that around 1,000 will be assembled with production doubling during the second year. The facilities could support an output of 4,000 a year.
Plant and equipment costing
more than £5m has been
installed at Wolverhampton to handle production of Landtrain

The most significant spending



The Landtrain, Leyland's Third World hope

new welding line for cab assembly which cost about £500,000 each.

Leyland maintains that Land-train offers "European stan-dards of driver comfort and operation in extreme conditions, driver ease coupled with the

range covers gross The weights from 19 tonnes to 65 well as on grassland, forest, tonnes and the eight models scrub and desert prepared weights from 19 tonnes to 65 include both two- and three-axle tracks.

was on a new paint plant and a derivatives for rigid vehicle

for example, between minus 12 essential features of high degrees centigrade and plus 46 reliability and durability and degrees centigrade as well as in ease of servicing and main-high humidity. The trucks are also designed to operate on tarmac and concrete roads as

Nissan Motors has announced that its auto production in 1979 reached a record 2.34m as reached a record 2.84m uping up 4.1 per cent from the gravious year's 1.24m units. The figures do not include knocked down (KD) production. The production of KD sets totalled 174.286 units in 1979, also a record. The KD production was up 18.7 per cent from 148.889 units the previous year.

units the previous year, ... Exports of completed vehicle totalled a record of 1.1m units up 6 per cent from 1.07m units the year before. The previous record for Nissan's exports was 1.09m umits set in 1977.

Domestic sales reached 1.2m units, up 8.3 per cent from 1,140,590 units the year before. In overseas markets, car shipments were below the rear-before level in the first balf, (haulage and tipper) drawbar reflecting the yea's appreciation and articulated vehicle applications.

Leviand says Landtrain has in the U.S. and Europe.

The production of completed passenger cars in the year totalled 1.7m units, up 7.3 per cent from the year before. Production of medium-sized trucks totalled 18,126 units. down 34.7 per cent, small-sized trucks, 569,315 units, down 2.9 per cent and small buses, up 0.4 per cent to 11,484 units

China joint ventures imminent

BY TOM WALKER IN PEKING

MR RONG YIREN, the general he knew these will be the first one standard, but Gere may be manager of the China Inter-joint venture agreements to be exemptions and reductions. In national Trust and Investment announced since a new Foreign the meantime Chinese officials Corporation (CITIC), said at Investment Law was framed last were studying rates levied in the weekend he expects the first July. American companies have other countries, in the resulting agreements shown the most interest in nego. "Of course, we don't want to joint venture agreements shown the most interest in nego- "Of course, we don't want to involving Chinese and foreign tiating joint ventures, followed levy less tax than others, but partners to be announced by by the West Germans and the we also don't want to levy a partners to be announced by

March. Mr. Rong said China's 90 approaches from American not come," he said.

Foreign Investment Commiscorporations, he said.

The Chinese Ocean sion has given preliminary approval to several ventures, and he expects details of the agreements to be made public within a few months once contracts have been finalised.

He said the first joint venture agreements would be in trans- come in. portation and light industry. In an interview he said that CITIC had accepted a 10 per cent share in one of the joint ventures. The remaining 90 per

BY CHARLES BATCHELOR IN AMSTERDAM

fibre sales will be held back tern curope.

business in 1980 and virtually

Enka said in its annual review.

by a downturn in the motor and

construction sectors as well as

The expected recession in the

U.S. may further boost its ex-

ports of fibres and textile pro-

ducts, while traditional export

markets for European producers

may shift their customers to the

Enka forecasts that in the long-term imports of textiles and clothing into Western Europe will continue to increase.

Quotas agreed under the current

Multi-fibre Arrangement (MFA) will bring about a further

reduction in the market share

of European manufacturers. The

breathing space available until

oisposable incomes.

the decline in textiles.

foreign investment, Mr. Rong said he expected a tax rate to be more overseas companies would

frighten away foreign win fraginen away turning trans-businesses. China's Foreign in-westment Law does not preclude its first order from China—for between foreign and Chinese in a single enterprise in China. CLUIC was established last

Further synthetic fibres slide

per cent Chinese. tion of technology to assi Mr. Rong, a former Shanghai China's modernisation drive. industrialist, said that as far as The tax rate likely will be aid that as far as The tax rate likely will be

THE MAN-MADE fibre industry the agreement expires in Decem- led to a marked improvement

in Europe faces a downturn in ber, 1981, must be used to in capacity usage and almost

no growin in the longer term. industry, Enka urges.

The chief concern of the in 1979 the textile industry profits resulting from sharply industry is to bring upward continued the recovery which higher raw material prices also

fibre raw materials under con- tarty marked improvement in although operating income was

troi, the Dutton fibres group many and Belgium. Textile pro-hit, since higher costs could not Enka said in its annual review. uucunn tevets rose an estimated always be passed on in prices.

depressed by mountaing rates of man-made flore production rose tile and apparel trade rose 52

prices eroding the growth in rate or growth was largely due Textile imports rose 15 per cent

wane nore production levels

were unchanged in Japan they

rose 7 per cent in the U.S. des-

pite the threatened domestic

recession Cost advantages and

the weakness of the dollar

allowed the U.S. to eliminate

Western Europe from many ex-

port markets and to increasingly

penetrate Western Europe it-

fibre in Western Europe rose 2

per cent last year to around

shipments and production, oper-

panies were "distinctly less

Synthetic in market losses outside Wes-

157,000 tonnes.

pressure on prices of synthetic begun in mid-1978 with a parti- boosted

Demand generally will be + per cent last year although

initation and higher energy only i per cent. Inis slower

restructure the European textile eliminated losses from under-

self. Volume sales of synthetic • The EEC Commission has

Despite only modest gains in Philippines, under garments himments and production, oper-from Hong Kong and jackets

negative" than in 1978. Signi-representations by the UK ficant voluntary capacity cuts Government.

ating profits of European com- and blazers from India.

Japanese. There have been about higher tax so foreigners will ■ The Chinese Ocean Shipping Asked whether China's failure Company has signed an agree

to fix a tax rate was hindering ment with Magnavox of the U.S. to act as its agent in China. Under the agreement, Magnavox announced in the first part of depots will be established in this year, and after that even Shanghai, Canton and Tianjin. The company will provide the Chinese concern with computer-However, he does not believe ised satellite navigating equipthe delay in fixing the tax rate ment and training for technicians

cent would be divided equally 100 per cent foreign investment an ultra-violet curing system to be fitted to a new installation of a Crabtree Vickers "Mar-Another joint venture agree- October to promote joint ven- quess," three-colour metal de-ment will provide for 60 per tures and, if necessary, to get corating press. The Londoncent foreign ownership and 40 involved uself in the importabased company said the order per cent Chinese. tion of technology to assist was worth almost £60,000. The was worth almost £60,000. The shipment is scheduled for July,

company results

The EEC's deficit on its tex-

per cent in the first half of 1979.

in the six-month period, while

apparel imports rose 21 per

cent. By contrast exports of

both textiles and apparel rose

Worldwide production of

man-made fibres rose 4 per cent,

or 542,000 tonnes to 14.3m

tonnes. The share of man-made

fibres in world fibre consump-

introduced quotas on imports into the UK of babies under

and outer garments from the

This is largely the result of

per: John L Jacobs and Com-

vessels of a total of 19.3m

with 184 vessels, of 18.9m dwt

in November.
This represented 41 per cent

of the total combined carrier

fleet operating in oil trades compared with 39.9 per cent in

November.
The effect of the U.S. ban on

grain shipments to the USSR

was not evident last week, but

3,340 2,621

pany said 187 combined carries

tion is now nearly 50 per cent.

only 2 per cent

KWU wins £77m order

KRAFTWERK UNION (KWU) of West Germany, has won a DM 300m (£77m) contract from Thailand to build a 750 MW gas

turbine power plant.
The plant will be the second of its kind to be built by KWU for the Electricity Generating Authority of Thailand in Bank Pakong. The contract for the first, also of 750 MW, was

Signed a year ago.
Our World Trade Staff write:
T. P. O'Sullivan, the London. based consulting engineers, have reached agreement on a joint venture contract to undertake a feasibility study and design of two 250-metre long bridges to be constructed out-side Bangkok. O'Sullivan's partner's in the venture are Pacific Consultants International and Chyoda both of Japan - The contract, worth £500,000 is to be signed before the end of the moeth.

Jordan awards potash contract

By Rami G. Khouri in Amman AUSTRIAN company, Voest Alpine, has won a notly contested \$107m (£47.1m) contract to build the petash processing refinery for Jordan's Arab Potash Company.

APC chairman, Mr. Ali
Khasawneh, said here at the

weekend, Voest Alpine will complete the project in 24 months. The plant will process 1.2m tons per year of crystalline carnallite, obtained by evaporating Dead Sea brine, into potash fertiliser. ·Voest Alpine won out against

bids from Spie Batignolles of France, J. A. Jones of the U.S.; George Wimpey of the UK and Mannesmann of West Germany.

Ashland deal in Portugal

PETROGAL, the Portuguese state petroleum company, and Ashland Chemical Company of the U.S., have signed a joint venture agreement for the construction of a \$16.5m carbon black plant in Portugal. Zrank The plant, which will be sufficervised by a new joint company formed in the venture called. Carbogal, will be located next

chemical complex in Sines.

The joint venture involves the use of Ashland's proprietary technology for manufacturing carbon blacks. Primary products will be tread and carcass grade carbon blacks for the tyre in-dustry and a variety of grades for the mechanical rubber grades industry.

to Petrogal's refining and petro-

Ewbank in Venezue**b**i The Ewbank Constiting Group is expanding its opena-tions in Venezuela with the appointment of Mr. Roger Hollerion as technical cons its associated company in Gara-

Last month Ewbank was awarded the engineering contract for power generation facilities associated with Brunel Shell Petroleum's developmen of the Champion oil field in the South China Sea.

Botswana telecoms Cable and Wireless, has sign

an agreement expected to be worth at least £12m in the first three year phase, for long term telecommunications ment in Botswara. The con pany will assist the Government in improving and expanding both internal and external delecommunications services.

FINANCIAL: TIMES

William O. Douglas: rugged individualist JUSTICE William O. Douglas, talist in one very particular have him removed from the Yet, oddly enough, in his

who died on Saturday at the age of 81, was not merely the longest serving Justice in the history of the U.S. Supreme Court: he was by any standards one of its most controversial members and even in the opinion of his many enemies, perhaps one of its most intel-lectually distinguished liberal

Mr. Douglas was appointed to the Supreme Court by President Roosevelt in 1939 and served until 1975, when illhealth finally forced his resignation.

With another Roosevelt appointee, the late Justice Hugo Black, he formed the great liberal underpinning of the Supreme Court, which came to full fruition under the chief justiceship of Mr. Earl Warren. during whose tenure many social and civil rights reforms were codified in law.

eclectic tastes, was a fundamen leader of the House, tried to then a third his age.

than just a desirable principle, places-it was the principal lesson to "girlie be drawn from the U.S. Consti-

social and political climate in wonderfully— a talent that he abilities. But, as ill health which he spent his great put to full use in a series of undermined Mr. Douglas's judicial years, he was more books devoted to conservation capacities to play a full role in intent on breaking down the barriers to individual freedom the spiritual guru of the stubbornly refused to resign—than then existed and establish. American environmentalist Mr. Burger displayed great secured by dismantling the legal and social obstructions that militated against equality of opportunity, education, justice

and thought. many enemies. He was the object of more than one attempt life-including four marriages, at impeachment: former Presi- the last of which, in 1966, to Justice Douglas, a man of dent Ford, when minority the former Cathleen Heffernan,

sense: to him, freedom of the Supreme Court at one stage in last years on the court, he individual against the encroach part because he insisted on seemed to have established a ment of government was more venting his views in unorthodox unique relationship with the places—including, on occasion, girlie " magazines.

The judicial distinction of

isolated mountain

ing that, above all, freedom of movement—and drew great personal kindness, indeed pro-the individual could only be personal strength from the tection, towards his ailing foe. Washington state that was, for Burger court has not been many years, his home.

Burger court has not been marked by great intellectual This, too, was anathema to distinction and many trace its influential segments His advocacy and his own American society, the more departure of Justice Douglas. rugged individualism made traditional parts of which were He used to refer to the Supreme more departure of Justice Douglas. equally horrified by his private Court as "the keeper of the nation's conscience --- and the 20th century has thrown up few, more assiduous any, guardiana.

although the supply of vessels exceeded demand, some tanker unique relationship with the current Chief Justice, Mr. Warren Burger. The two were tution.

his rulings were not simply the poles apart ideologically, and
Today, this is a classic product of an acute legal mind Justice Douglas had been
philosophy which conservatives at work: Justice Douglas was profoundly contemptuous of
claim as their own. But in the also a man who could write the Chief Justice's intellectual By common consensus, the of most recent decline to the

Quiet time for tanker market

SHIPPING REPORT

BY LYNTON MCLAIN forecast for the grain trades, ber rose slightly compared with perhaps by the end of the month, the activity at the end of Novem-HIGH STOCKS of oil in the

West and the continued availability of more tanker tonnage than could be used led last week to one of the quietest trading periods on the tanker chartering market for some time. Nevertheless, in the Gulf,

owners succeeded in reversing an earlier downward movement in rates. The result was a moderate recovery in rates to Worldscale 45 for the very large crude carriers chartered for discharge in the West, and Worldscale 524 for discharge in the East. How

ever, very few small tankers gained business in the Gulf. Rates fell further in the Mediterranean. Most rates for cross - Mediterranean charters varied from Worldscale 65 for a 180,000-ton cargo from the east Mediterranean for the west, to Worldscale 155 for 70,000 tons

On the grain markets, brokers recorded a fall in rates early in the week. But firmer rates were

early February. Elsewhere on the shipping markets, rates for raw materials' traffic started to recover, at deadweight tons traded in oil least on the Atlantic, after at the end of the year compared recent fails. Owners of bulk with 184 vessels, of 18.9m dwt

carriers trading in the coal, metal ores and scrap markets

are expected to report an early improvement in rates. On the tanker market few inquiries were reported for new charters. The spot market for crude oil weakened further. The volume of combined

carrier tonnage operating in the can be expected to become more oil trades at the end of Decem- evident in the coming weeks. World Economic Indicators

for shorter voyages.

Tanker tonnage in the Caribbean faced low rates as demand fell away.

U.K.

17,927 16,215

FOREIGN EXCHANGE RESERVES

(Millions of U.S.\$) Nov. 79 Oct. 75

Oct. 79

Split over public accounting practice

all last week for the revision r accounting practices in local higherities. to make their acrounts more understandable m ratedayers.

of the Chartered Institute of Public Finance and Accountancy (CIPEA), said the notion that local authorities could be d in the same way as companies unacceptable.

apply to them," he said.

THERE HAS been sharp tion document about the reaction to the Institute of publication of financial information that the Accountants (ICA) tion by local government—has tion by local government—has come at exactly the time when attempts are being made to work towards standardisation of practices.

The Accounting Standards audit of commercial under-Committee is formulating State takings.

ments of Standard Accounting

The ICA wants the abstract of Practice to try to eliminate differences in procedure. The fundamental disagreement over the methods of pre-paring and presenting local

authority accounts marks a split what has hitherto appeared to be considerable agreement. The ICA says that local authority accounts are too complicated for ratepayers to be able to find any useful informa-

spened up by the commercial the ICA would like altered in-and public accounting bodies clude the disclosure of past separate responses to a Depart capital expenditure and the treatment of reserves.

BY MARTIN DICKSON

ELECTRICITY AND GAS in-

dustries have not yet suffered

significant damage as a result of the steel strike, but a pro-

longed stoppage which spread to

the private sector could alter

The Central Electricity Generating Board, which satis-

fied a record peak demand of

44,219 MW last Monday, esti-

mates that its load has been

Electric arc furnaces are

among the largest users of

electricity in the steel industry.

Although the British Steel Corporation has a large con-centration of electric arc

arc.

Report on technology

furnices near Sheffield, most of supplies are stretched to the this equipment is in the private limit and British Gas has to

reduced by up to 1,000 MW by

the situation.

the stoppage.

Mr. Hepworth, who rejects the charge that accounts are 100 complicated, argues that Department of Environment guidelines eovering local authority audits are wider and more stringent that those applicable to the

The ICA wants the abstract of accounts divided into two parts: a clear and concise summary of the consolidated accounts of the authority together with com-parative figures for the previous year; and detailed income and expenditure accounts for each service and relevant information relating to unit cost and manpower.

information from a five-year ture planned for the next period should be considered as year analysed between projects true trends can seldom be disclosed from only the previous

financial implications for the

Elecricity Council, which is find-

ing it hard to meet the cash

limits and financial targets the

Government has set for this

far less impact on British Gas,

which in 1978 provided 595m

therms to the ferrous metals sector. of which BSC would

have been by far the largest

At this time of year, gas

supplies are stretched to the

The strike is likely to have

drop in demand for electricity. more gas is available for other

object strongly to the local commitment for future years, authority practice of publishing All that information should have the same financial year, ending on March 31, and district auditors cannot do all the work

The CIPFA agrees with one recommendation — that the abstract of accounts should be published within six months of the financial year end. At present there is no time limit but it is understood that the Chief Inspector of Audits has are affected by changes in the also decided that a six-month level of working balances and limit should be introduced.

response to consider capital exenditure and recommended The possibility of providing that the total capital expendi- panies Act.

All that information should be unaudited accounts. This occurs sent to ratepayers with their because all local authorities rate demands. The ICA also local authorities should publish information and explanations about variations between total budgeted and actual expenditure

It says that the way working balances and reserves are pre sented can influence the interpretation of the accounts. The indicate to what extent the rates other reserves.

The accounting presentation lines to those of the 1967 Com-

mercial attitudes to balances in progress and new projects, and reserves did not apply should be published together because the problem of reserves with the method of financing. for local authorities was tied up chartered accountants So should the total capital with rate levy.

rejects televised **Commons**

Financial Times Reporter

AN ATTEMPT to televise House of Commons proceedings seems doomed to failure, according to an opinion poll of more than 100 MPs.

The poll, commissioned by Left, Right and Centre, ATV: political programme in the Mid lands, showed 44 per cent in favour of televising Commons and committee proceedings and 53 per cent against with 3 per cent expressing no opinion.

Control

Mr. Austin Mitchell, Labour MP for Grismby, is seeking leave to introduce a Bill on January 30 to "provide for the televising of the House and its committees, and to establish Parliamentary television units to control the televising, provide feeds to outside organisations and to maintain an of normal production electronic Hansard."

A similar Bill was defeated votes in 1978. Mr. Mitchell hopes that the new MPs voted in at the last election will help push his Bill through.

Satisfied

But according to the poll this looks unlikely. The majority of the 23 new MPs questioned are against the proposal.

The poll asked MPs if they were satisfied with sound broadcasting. More than half of those questioned said they

competition from an independ-

the expected .nerce competition

from multiple retailers, says a

report published today by Jordans surveys company. It

says the mail order sector has

annual sals of over £2.1bn and

accounts for about 5 per cent

TYNWALD will meet on May

27 to consider the first Budget by which the Isle of Man

Government will have control

of its indirect taxation rates.

From April 1, the British

Government will cease to con-

of total retail sales.

Manx Budget

ent supplier in Birmingham.

Mail order

No major legislation would be own, Hotpoint hesitates over

BY OUR OWN CORRESPONDENT

HOTPOINT, the washing at Llandudno, 10 miles away. machine manufacturer, may abandon the construction of a near Rhyl in North Wales because of the cost of installing new gas mains to the site.

MPs' poll| Citizens' radio

may hit snags

CITIZENS' BAND " radio may needed to allow use of the sets, be prevented from getting off but the Government would have

which have gradually come into were being operated illegally on Britain in the past few years, a frequency interfering with

They believe that it would be some of the electrical trade in line with the Conservative associations have campaigned

interest

or 15 miles.

Legalising the system would band was introduced in 1973.

cedures.

to decide which wavelength to allot to users as well as establish

In Australia, the Government

was forced to legalise citizens' band radio because so many sets

a frequency interfering with

As yet there seems no great

public pressure for legalisation,

but a reasonably strong lobby

includes members of the Right-

wing Tory Monday Club, and

Shortly before Christmas in

an adjournment debate in the

Commons Mr. Patrick Wall,

Tory MP for Haltemprice, held out the prospect of a market

for 6m to 8m sets opening in

this country if the system were given the go-ahead.

In the debate one speaker

suggested ways in which the

regulatory function could be

may be that rather than take an

immediate decision, Ministers will decide to publish a consul-

tative document to test public

In the U.S., where citizens'

there are said to be more than

10m sets, mainly fitted in cars

and lorries. Most have capacity

to transmit no further than 10

developed a vocabulary of their

BY ELINOR GOODMAN, LOBBY STAFF

be prevented from getting off

Ministers are expected to decide shortly whether to lega-

lise use of the short-range two-way radio sets which became a cult in the U.S. in the 1970s and

Home Office Ministers are

understood to be broadly in favour of legalising the system, which the Labour Government

They believe that it would be

up the air to private citizens in

There is also the argument,

though it does not seem to have

impressed Ministers particularly

strongly, that legalising citizens'

band would create a new market

for British electronic equipment. Against the arguments in

favour is the Government's

broad aim of cutting public

Users of the sets would pre-

sumably have to pay licence fees, and supporters of citizens'

band say that it would therefore

be self-financing. The Treasury

is generally opposed to introduc-

almost certainly require setting

up an organisation to regulate

it, and so employing more civil

servants at a time when the

Government is trying to shed

ing new taxes of this kind.

Party's belief in freedom to open for it.

though their use is illegal.

did nothing to encourage.

this way.

spending.

public spending curbs.

ground by the Government's

close next month, had its first success on Friday, winning a contract to produce tractor hitch and draw bars and mowers. The contract, which guarantees at least 54 jobs, came from Massey Ferguson's Coventry factory, and was won against

consistently exceeds 10 per cent with male unemployment rising to as much as 17 per cent during the winter. It is believed the mains installation would

Clwyd County Council, which has helped to nurse the scheme, new factory at Kinmel Park fears that the county's unemployment problem intensify considerably if the project lapsed. The council

yesterday that on top of the 6,400 steelmaking jobs axed by BSC at Shotton and the 900 jobs due to go in the finishing plant at the Deeside works, any additional loss of employment opportunities would be disastrous. "We shall do all we can to see that the Hotpoint development goes ahead.

Representatives of Wales Gas Hotpoint and Clwyd and Rhuddlan Councils will meet later this week to try to resolve the difficulty.

factory construction

The factory could provide jobs

in an area where structural unemployment has for long been a problem. There would be a potential 200 jobs by the end of next year, rising to 900 there-Unemployment in the area

THE GROWTH prospects for the mail order industry in the cost a six-figure sum. Hotpoint already has a factory 1980s remain strong in spite of

TOMORROW

remaining stages. Motion on the European Community Documents on European Court

of Justice. LORDS — Reserve Forces Bill Regulations 1980. WEDNESDAY

COMMONS—Debate on the report on the Merrison Committee on the National Health Service. Motion on the European Communities (Definition Treaties) (Multilateral Trade Negotiations) Order. the

011 problems facing businesses, and on small

existing state of legislation relating to freshwater fisheries in Scotland. Debate on the increase in the price

COMMITTEES -Industry and Trade. Witnesses: Sir Keith Joseph, Industry Secretary, Mr. Adam Butler, Minister of State and Sir Peter Carey (10.45 am, Room 16). Foreign Affairs Committee. Subject: Foreign and Commonwealth Office organisation. Foreign and Commonwealth Office (11 am. Room 15). Education, Science and Arts. Subject: The funding and organisation of courses in higher education. Witnesses: University Grants Committee

(10.30 am, Room 6). Transport Committee. Witness: Mr. Norman Fowler, Minister of Transport (4 pm, Room 15). Social Services, Subject: Perinatal and Neonatal Mortality. Witnesses: Spastics Society Child Poverty Action Group. National Birthday Trust (4.30 pm, Room 8). THURSDAY

THURSDAY
COMMONS—Debate on the role
of nuclear weapons in
Britain's defence policy,
LORDS — Police Negotiating
Board Bill, report stage,
Representation of the People
Bill, third reading, Protection of Trading Interests Bill, second readin

FRIDAY COMMONS-Private Members'

NOTICE OF STOCK SPLIT

Corporation into which each \$1,000 principal amount of Debentures is convertible under the Indenture is to be appropriately adjusted pursuant to

> Dated: January 8, 1980 INA CORPORATION

). 5¹ ¹⁸

Mr. Noel Hepworth, director

"Local authorities are nonprofit making organisations and it is wholly inappropriate to suggest that the provisions of the Companies Act should

The divergence of viewsmen of Environment consultaAspects of the accounts which

year's figures, it suggests.

its ICA extended

may be losing some revenue

hecause of differences in the

tariffs levied on customers with

interruptible contracts.

secure supplies and those on

British Gas's main contract as

customer of BSC is for the

supply of pipes for its fourth

Scottish gas feeder pipeline, which will run 280 miles south

Auckland. Construction work

is due to begin in the spring.

Since British Gas already has

in stock over 50 per cent of

St. Fergus to Bishop

Strike reduces demand for energy sector. An extension of the cut off supplies temporarily to presents no immediate probstrike, coupled with a knock-on industrial customers on interlem. However, a prolonged effect throughout industry, ruptible contracts. A reduction could therefore cause a sharp in supplies to BSC means that stoppage and a slow resump-

> This in turn would have customers, although British Gas culties, Production in the coal industry could be affected more quickly if the strike persists. The NCB reckons it has supplies steel mining equipment sufficient to last some five to

could eventually present diffi-

seven weeks. So far the strike has not affected the NCB's output of coking coal, which is being stockpiled in areas where it cannot be delivered to BSC plant. However, the strike seems certain to reduce further BSC's the pipes it needs, the strike demand for NCB coking coal. | were not.

£60,000 study on robot development

A £60,000 STUDY which will seek to identify the manufacturing opportunities for robot parts by British industry has been commissioned jointly by the Government and private

Tramp shipping up

TRAMP shipping rates jumped 15 per cent between the third and fourth quarters of last year, says the General Council of British Shipping. The GCBS tramp time charter index (1976=100) rose to 237 in the final quarter—78 per cent above its level in 1978 and 180 per cent up on the 1977 figure for

trol Manx Customs and Excise

MOORFIELD Manufacturing, will last at least four weeks, the company formed by Massey Ferguson to find work for its in the container market.

A BID is being made by Sony, the Japanese electronics company, to win a large share of

the UK. It has launched its first microprocessor controlled office dictation system—called

some orders for Network, and is awaiting the all-important Post Office approval before it can begin to instal them. It says Network can allow 18 hours of continuous dictation compared with rival machines which only offer six hours, and can be used by an unlimited number of people,

Workforce cut

MORE THAN 700 workers at John Beales Associated Companies, manufacturers of Marain Loughborough, Lauceston, and Nottingham. At present, the company employs about 1,900. The company are sufficient to be sacked in the next three months. The plant makes general fabrications, mining and tractor equipment. 1,900. The company suffered a £1m turnabout to a loss of £560,000 in the six months to September 19, last year against a previous surplus of £479,000. The loss was a result of severely eroded margins and shrinking

into education of the blind has number of electors.

Sony launches office dictation system

office dictation market in

Network—as part of plans to diversify its activities into office automation.

Sony has already obtained

even if they are many miles away from the office where the system is installed.

demand for the group's knitwear and underwear products.

been installed at Birmingham University. It was paid for with a £5,000 grant from St. Dunstan's. It will be used to

store and analyse data pro-vided by various research projects carried out by the Research Centre for the Education of the Visually Handicapped. particularly into the educational and psychological needs of

Miners' record

newly blinded adults.

IN SPITE of geological problems underground, miners at Florence colliery, North Staffs, have broken a nine-year-old weekly output record by pro-ducing 24,140 tonnes.

GKN redundancies

HALF THE workforce at GKN Sankey's automotive plant at Cable Street, Wolverhampton, will be made redundant because of falling orders. The company says that 110 shop floor workers and 29 staff will have to be

House of Keys

THE Isle of Man is looking at the way in which it elects members to the House of Keys. A committee, under Dr. David Butler, the Oxford psephologist, as chairman, has held its first meeting and has been given as its brief the decision that each Helping the blind member should be elected by as near as possible the same

Kilmarnock factory which will

industry.

The study to be carried out by the Industrial Innovation Centre, will concentrate on the mechanical and sensing technology involved in robot development. It will concerned largely with the U.S. and Japan, where most of the development of robotics has taken place.

Among the study's backers are the Scottish Office, Warren Spring Laboratories, and 10 companies. They hope to be able to advance the development of the mechanical and sensing devices by bringing together existing expertise in these areas in Britain with

Three-day week MOST OF the 600 workers at

the container plant of Crane Fruehaus, North Walsham, Norfolk, will go on a three-day week this week. The short time

would soon have fewer precious goods in their windows, and probably uses more gold, number of articles by 11.8 per

Business in Parliament

COMMONS — Debate on the problems of the Northern Region. Bees Bill, remaining stages. Motion on the Value Added Tax (Fuel and Power) SELECT (Metrication) Order. At 7 pm Opposed Private Business.

COMMONS - Competition Bill,

(Consolidation measure), committee. Papua New Guinea, Western Samoa and Nauru (Miscellaneous Provisions) Bill, third reading. Motions to approve Southern Rhodesia (Legal Proceedings and Public Liabilities) Order 1979; Southern Rhodesia (Constitution of Zimbabwe) (Elections and Appointments) Order 1979; Dangerous Substances and Preparations (Safety) Regulations 1980; Child Benefit and Social Security (Fixing and Adjust-ment of Rates) Amendment

LORDS—Debates

CORPORATION Philadelphia, Pennsylvania 19101

To the Holders of 6% Convertible Subordinated Debentures Due 1997 (the "Debentures") of INA Overseas Finance N.V., issued under an Indenture. dated as of August 1, 1977 (the "Indenture"), among INA Overseas Finance N.V., INA Corporation, and Morgan Guaranty Trust Company of New York,

PLEASE TAKE NOTICE that on December 19, 1979, the Board of Directors of INA Corporation, a corporation organized under the laws of the Commonwealth of Pennsylvania, United States of America (the Corporation), declared a 3-for-2 split in the Corporation's outstanding shares of common stock, par value \$1.00 per share. The record date for the split is January 18, 1980. Certificates representing additional common shares to be issued as a consequence of the stock split will be mailed to shareholders on or about February 15, 1980. Fractional shares will not be issued as a consequence of the split. In lieu thereof, the Corporation will make a eash payment, based on the per share closing price for the Corporation's common shares on January 18, 1980, the record date, as reported by The Wall Street Journal, to each shareholder of record otherwise entitled to a fractional share as a result of the split.

The conversion rate with respect to the number of common shares of the applicable provisions of the Indenture.

> · By: James L. Walker Senior Vice President and Treasurer

Major **Treasury** reshuffle

completed

lailan

By Peter Riddell, **Economics Correspondent** THE MAJOR reshuffle of senior Treasury officials has been completed with the appointment of Mr. Andrew Britton to

run the monetary analysis and forecasting unit -He will take over the post from Mr Peter Middleton, who has been promoted to Deputy Secretary responsible for fiscal

and monetary policy. Mr. Britton, 39, will become an Under Secretary. He will advise on overseas and home financial issues, and be responsible for producing domestic monetary and external capital

account forecasts. Under Mr. Middleton, this was built up into an influential post, closely involved in all the key pre-Budget decisions of setting the public sector borrowing and

Mr. Britton has risen rapidly up the Treasury ladder after joining the department in his mid-20s, and has been involved on the overseas side, working on, balance of payments matters. He has recently

monetary targets.

chief economic This appointment completes the latest reshuffle, but further that the UK which, in many obtained orders for its viewdata moves are likely later this year

SY LORNE BARLING

in their products.

gold jewellery

ed deal

:2; undergo fundamental changes as the result of the soar-

ing price of gold and silver as

The increased cost of these

small manufacturers and a loss

of jobs as the higher prices

meet consumer resistance in the shops. The industry already faces problems from imports of

Short-time working has been

Birmingham, the country's two gold content.

introduced in both London and

major jewellery centres. There

have also been redundancies in

APPOINTMENTS

ing director, Holland, and was

tion, has been elected chairman

Mr. Brian W. Turnbull has since 1977.
been appointed a director of
GEORGE WATERSTON AND
Mr. G. Grah

raw materials is also certain to see retailers selling gold lead to liquidity problems for jewellery at prices which do not

ramp Morris Ltd. in 1975. Mr. from Mr. Philip Wilkinson, who Littlejohn continues as a member of the Board. Mr. James Lock, director of finance, has been appointed finance director, and a member of the Board.

completed a year at the London

Business School doing research.

'neglects market'

BY ELAINE WILLIAMS THE RECENT report by the Advisory Council for Applied Research and Development on the impact of technological change on the UK has over-looked several important issues. according to Mr. John Pearce, managing director of Insac Viewdata, a subsidiary of the National Enterprise Board.

Mr. Pearce said that the report was "too product oriented" and pointed out that product development without complementary market development can be a total waste of

'market led.' The ACARD report also failed ments, Mr. Pearce said. to take into account the fact

because they cannot fix their

manufacturers reduce the The fluctuation in the price of as high as it is, there is no amounts of precious metals used gold is regarded by jewellery escaping the fact that sales will The fluctuation in the price of

manufcturers as a problem

equal in seriousness to its high

jewellery at prices which do not

reflect the replacement cost.
Mr. Manfred Durst, vicepresident of the British

president of the British Jewellery and Giftware Federa-

these would have a much lower

He said manufacturers and re-

Sheffield as the result of prob-lems in finding the money to sure of selling their products lems in the silverware industry, replace stocks. His federation at the right price there will be

BANK'S related banking services division. He will take over

tor of the bank's City region

Mr. G. Graham Whipple has

SONS.

Mr. J. M. (Joe) Macharg.

general manager and actuary of the Scottish Provident Institution has been appointed divisions—shipbuild—bas been appointed a director operating and construction, air terminal c

of the ASSOCIATED SCOTTISH ing and management. He succeeds Mr. William B. Relike who sheep down after Mr. Willis M. Hawkins, senior Runciman, managing director of Runciman management.

completing the usual two year corporate vice president—air of Osborn-Mushet Tools and manter of the chair. Mr. J. M. craft. He remains a member of the Board of directors. Succeed-

where the instability of the was holding talks with certain a risk of redundancies.

Jewels 'will contain less gold'

BRITISH JEWELLERY design silver price has led some manu-bullion dealers about the possi- Mr. Brian Bridge, general undergo fundamental facturers to suspend production bility of extending credit terms secretary of the National Union

value, and they are amazed to tain less than 5 grammes of gold

tailers were facing serious prob- unions that until they can be

Chairman at Philip Morris Ltd.

Mr. Robert W. A. Hermans, and actuary of the Life Association of PHILIP tion of Scotland, has become appointed chairman and managing director. He succeeds Mr. Derrick V. Littlejohn as chairman joined Philip Morris in 1972 as marketing director. Holland, and was gapointed general manager of NATIONAL WESTMINSTER appointed president of CATHO-

minal, electronics and engineer- Hannah, chief executive of the

to manufacturers.

of volume markets if the R&D pump is to be kept suitably

money, particularly in areas have few if any political strings where he worked with Profes | such as computer software attached. Companies participat | larly coal or nuclear sor Terry Burns, now the where products are frequently ing must maximise the exploita- long lead times and decisions product areas represents less service from over 20 U.S. corpo-

Mr. Pearce commented that because advanced nations believe they must compete aggressively for high tech-nology, the rate of product innovation is very high. "This, combined with heavy product

adequate window on the world

for development insights.

Any government financing for product development should

requires the rapid penetration

tion of worthwhile develop-Last week, Insac Viewdata the 1990s. when Mr. Fred Jones, the finan 5 per cent of the total rations. Viewdata is a computer inquiry into the Coal Board's Deputy Secretary responsible market for an advanced technology product, is not an developed by the Post Office. The most of a major pholic inquiry into the Coal Board's plans to sink three new pits in developed by the Post Office.

and market development costs,

"If the value of gold stays

drop. Jewellery design will also

change, with items likely to con-

mather than about 10 grammes

while craft products are more cent-generally made in London. Bri

Manufacturers have told the

Mr. Nathan Waldman has been appointed president of CATHO-DIC PROFECTION SERVICES,

INC., Houston—a company in the Norcem CP Group.

Dr. John C. Hudson has been appointed chief executive of the

commercial division of STER-LING ORGANICS, a member of

The AURORA GROUP has

the Sterling-Winthrop Group.

problem may differ between gold wares sent to the UK's four London and Birmingham, since assay offices from Cartain the Midlands industry in the Assay

Ezra sees coal as vital part of energy insurance By Martin Dickson

AN EXPANDED British coal industry will constitute a vital part of a policy of "energy insurance" for the UK, according to Sir Derek Ezra, chairman

of the National Coal Board. In the latest issue of Coal and Energy Quarterly, an NCB journal, Sir Derek says that Britain cannot afford to take a relaxed, "wait-and-see" attitude because of its North Sea oil and gas. That would be dangerous

complacency. Alternatives to oil particuwere required now if these resources were to be available in

Sir Derek's article comes in

of Gold, Silver and Allied

of the wild fluctuations in the

silver price over the past year.

are reflected in the last

quarterly figures from the Assay

British silverware sent for

assay fell by 36.3 per cent and the number of articles by 26.2

per cent in the pre-Christmas

quarter, normally the peak

Mr. Michael Burton has been

appointed plant director of TI NICHOLSONS SILENCERS, of Glasson Dock, near Lancaster,

manufacturers of car silencers

and exhaust systems for TI Bain-

Mr. R. G. (Ray) Fisher, general manger, of EQUIPMENT PURCHASE AND PROGRESS SERVICES, has been appointed a

Mr. R. Blockley has been appointed group production director and Mr. B. M. Brear has

been made Group sales director of EDGAR PICKERING (BLACK-

Mr. Frank Stroud has been

elected chief executive of KEE

ber of the Thomas Tilling

Mr. G. Barber has been

from

appointed managing director of

SELFRIDGE

KLAMPS. Kee Klamps is a mem-

BURN).

February,

period for assaying.

The problems of the industry

the midst of a major public inquiry into the Coal Board's that being developed over-

the fourth quarter. Jobs guaranteed

Trades, said in Sheffield that one local company had suspended its silver plating operations because

THE STATE OF PARANA STATE FINANCE DEPARTMENT

COMPANHIA PARANAENSE DE ENERGIA ELETRICA-COPEL COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS...CAEEB Invitation to Suppliers of Electric and Electronic Materials and Equipment SECOND DISTRIBUTION PROJECT OF COPEL

---COMPANHIA PARANAENSE DE ENERGIA ELÉTRICA --- COPEL, established in the State of Paraná, Brazil, has obtained a Loan from World Bank (IBRD), in various currencies equivalent to US\$ 109,000,000,00 (one hundred and nine million US dollars), and proposes to apply these Loan funds to the financing of a part of the expansion plan of its subtransmission and distribution system comprising the period from 1980 to 1983.

—COPEL will utilize the services of COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS — CAEEB, in the procurement of related materials and equipment.

III—During the next twelve (12) months COPEL will issue invitations for international bidding for the supply of equipment, materials and services which are grouped in the following BID5: APPROX. QUANTITY DESCRIPTION Aluminium Conductors ACS Aluminium Conductors ACSR
Insulated Aluminium Conductors 3,100 tons 6,500 km

70 km 110 tons insulated Copper Cable Bare Copper Cables Galvanized Steel Cables Single-phase, Polyphase and Demand Meters
Power and Grounding Transformers at 230 kV, 138 kV, 69 kV
Distribution Transformers at 34.5 kV/220/127 V and at 13.8 kV/220/127 V 415,000 mics 2,120 MVA Protection Equipment: -Circuit Breakers 3,500 units 210 units -Potential Transformers -Discharge Counters Control Equipment: -Reclosers, Voltage Regulators and Capacitors 3,200 units

Various 33,000 nits Lightning Arresters
Fuse and Sectionalizers Switches Transformers for Metering Sets and Instruments 30,200 units Equipment for Maintenance of Energized Lines Oil Purifying Sets
Equipment for metering, Phalcochemical and Electrotechnical Laboratories

IV—These invitations will be complemented by notifying the diplomatic representatives in Brazil.

of the World Bank member countries and of Switzerland, at the time the corresponding bidding documents for each bidding are ready.

—Meanwhile, the suppliers and manufacturers who wish to be included in the suppliers list to receive the invitations above mentioned, must express in which bid or group of bids they are interested to participate, by writing to the following addresses: COMPANHIA PARANAENSE DE ENERGIA ELÉTRICA -- COPEL

At.: Superintendência de Suprimento BR-116, km 396 - Trevo do Atuba 80000 - CURITIBA - PARANÁ - BRASIL

COMPANHIA AUXILIAR DE EMPRESAS ELÉTRICAS BRASILEIRAS — CAEEB

At.: Coordenador de Compras Av. Rio Branco, 135 13° andar

ZC-00 RIO DE JANEIRO - CEP 20000 - BRASIL.

These letters will be received up to and including two months from the date of this advertisement, and all the letters will be included in the Bid mailing list.

Argentine Republic

Ministry of Economy

State Secretariat of Energy

Hidronor S.A.

Hidroeléctrica Norpatagónica Sociedad Anónima

Alicopa Complex

Alicurá Hydroelectric Project

Contract No. 541-supply of electric auxiliary equipment

In connection with a subsequent call for tenders for design, manufacture, transport, erection, testing and commissioning of electric auxiliary equipment. Hidronor S.A. will receive and analyse the qualifications and references of those firms or consortia of firms that have adequate -isloated phase bus and switch-gears

-generator-main transformer blocks protective devices boards.

Contract No. 542-erection of electric auxiliary equipment In connection with a subsequent call for tenders for the erection of electric auxiliary equipment. Hidronor S.A. will receive and analyse the qualifications and references of those firms or consortial of firms that have adequate technical and financial capacity and wish to take part in the call for

(1) erection and commissioning of the following electric auxillary equipment.

(a) isolated phase bus and switch-gears
(b) distribution distribution transformers (c) main and secondary my and ly-ac switch boards, including mee-de switch boards

(d) batteries and battery chargers (e) protective device boards

(2) supply, laying and connection of:
(a) 13.2 kv power cables
(b) Iv-ac and dc power cables

(c) control cables

(d) grounding cables for connection of non-conductive parts of electric devices and other parts to general grounding system (including fittings)

(e) telephonic system cables
(f) supply of conduits cable-trays and others including accessories for the above-mentioned cables and for all the cables of the "supply and erection of automation and control

(3) supply, erection and commissioning of the lighting and outlet system, including emergency

(4) idem idem for the clock system

(5) idem idem for the call signalling system

(6) idem idem for the fire alarm system

(7) idem idem for the distributor board of cables at power house

(8) tests for commissioning and industrial operation Terms of reference:

The procedure for submission of data and the characteristics of the supply are set in the corresponding prequalification document which may be obtained personally either from Hidronor, S.A. Av. Leandro N. Alem 1074, 5th Floor, 1101, Buenos Aires, Argentina, or at the main offices of Electrowatt Engineering Services Ltd., Bellerivestrases 36, CH 8022, Zurich, Switzerland, and SWECO AB. 2. Linnegatan S-102 41, P.O. Box 5038, Stockholm S. Sweden, as from December 17, 1979. The envelopes containing the qualifications and references of the firms or consortial concerned shall be submitted to Hidronor S.A., Av. Leandro N. Alem 1074, 5th Floor, 1301, Buenos Aires, Argentina, before 4 p.m., February 28, 1980.

GOVERNMENT OF THE REPUBLIC OF SURINAME MINISTRY OF DEVELOPMENT

Kabalebo Hydroelectric Project INVITATION FOR PRE-QUALIFICATION OF TENDERERS

Applications are invited from suitably experienced avail works contractors to pre-qualify to lander for the construction of the first stage of the Kabaleba Hydroelectric Schame.

Only contractors who have been pro-qualified will be invited to tonder for the project.

The Kabaleba Hydroelectric Schame is situated on the Kabaleba River in Western Suincerns.

The first stage consists of:

Lot 1

Devis Palls Dam and Power Plant plus saddle dises near the main dam.

LOT 2

Lucie River Diversion Works. These works are situated about 200 km to the south of Devis Falls

Power Plant.

Power Plant. The tander is for the complete civil engineering works and the hydraulic steel works for the shove

incorporating spillway, intakes, 7 m dismeter penatocks and powerhouse, and en earth- and rockfill part.

The powerhouse is situated at the toot of the dem. At full development the powerhouse will have six units, 83 MW each—three units will be installed in the first stage of development. The sadd's dikes consist of low fill embankments and some low overflow wers in concrete. The Lacis River Diversion is a system of dikes and canals over a length of about 23 km, and a large canal located about 15 km further north.

On the Lucie River there is a concrete spillway with fire getss.

Approximate quantities involved are:

Concrete

Canal excavation

Embankment dem SS 500,000 cubic metres

Canal excavation

Embankment dem SS 500 tens

Norconstitution and scope of the work envisaced can be obtained on application from the pre-qualification, and scope of the work envisaced can be obtained on application from Norconstitution and above during the past ten years in hydropower or havy can) engineering works as man contractors need apply.

Centractors my consider co-operation with local centracters

All applications for pre-qualification should be forwarded to Norconstitut A S. P.C. Sor 7, 1322 Novik Norway, in seeled onvelope marked: "Pro-qualification for Kabalabo Hydroelectric Project." The application should be received by March 15 1389

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NIGERIAN PORTS AUTHORIT

TENDER FOR THE PURCHASE OF M/V. "OLATEJU"

1. Tenders are invited from interested individuals and organisations for the purchase of the vessel M/V. "Olateju". 2. The following are the particulars of the vessel:-

(i) Motor vessel: ex Davies ex Dayaka Dua ex Miura Maru

(ii) Year built: 1965 100.89 metres (iii) Length: (iv) Breadth: 15.32 metres 7.80 metres (v) Depth: 6.351 metres (vi) Draft:

3.197 (vii) Gross Tonnage: 1,985 (viii) Net: (ix) Deadweight: 5.157 Grain Capacity: 6922M (x) (xi) Bale Capacity: 6616**M** (xii) Engine: Sulzer/IIII

(xiil) Horse Power: Speed: (xv) Holds: Derricks:

6 x 10 Tons Nippon Kaiji Kyokai (xvii) Classification:

2640

12 knots

3 (three)

2 x 15 Tons

3. The above particulars are given in good faith, but no responsibility can be accepted by the Authority for their accuracy. Purchasers are warned to make their own enquiries, and if necessary carry out physical inspecion of the vessel which is moored at Marina Buoy Lagos Port.

4. Tenders which should be submitted in a wax sealed envelope marked "Confidential Tender for the purchase of M/V. "Olateju" and addressed to:-

> The Secretary, Nigerian Ports Authority, P.M.B. 12588, 26/28 Marina, Lagos.

should be deposited in the Tender Box on the 6th Floor of the Nigerian Ports Authority Headquarters Building, 26/28 Marina, Lagos or delivered to the Authority's London Representative at the following address:-

Nigerian Ports Authority, Mansfield House, 376/379 Strand. London, W.C.2.

5. All tenders must be submitted not later than 15th February, 1980.

Prospective tenderers are warned that the vessel will be sold "As Is Where is" and the Authority does not accept any liability for the condition of the said vessel.

7. The Nigerlan Ports Authority, is not bound to accept the lowest or any tender.

8. Successful tenderer must be prepared to remove the vessel from its present location immediately on being advised. of the acceptance of his/its tender and after payment of the tender sum, but definitely not later than thirty days thereafter.

J. E. KALU Secretary to the Authority.

N.P.A. NOTICE NO. 3219 Dated 3rd Janauary, 1990.

COMPANHIA HIDRO ELETRICA DO SAO FRANCISCO (CHESF)

ENERGY MANAGEMENT SYSTEM

Centrais Electricas Brasileiras S/A (Eletrobras) is applying for a loan from the World Bank, part of which is intended for financing the cost of an Energy Management System (EMS) for the supervision and control of the operation of CHESF's electric power system. This EMS will be located at CHESF's system operating centre in

About the end of February 1980. CHESF intends to issue official bid invitations and specifications covering the supply of all hardware, software system integration services and training necessary to provide a completely operational system including remote terminal units, computer peripherals, man machine interface teleprocessing interface, support software and applications software. The EMS system shall support remote consoles to be located at CHESF's five (5) regional operations centres as well as a computer-to-computer communication link with the Brazilian national supervision and co-ordination centre computer facilities.

The EMS system functions will include forecasting and scheduling study mode and real-time security assessment, system monitoring. Supervisory control, automatic generation control, voltage scheduling, energy accounting and operations analysis, recording and reporting. The CHESF present installed capacity is about 3000 MW (90 per cent hydro-electric) and is expected to increase to about 9000 MW by 1986, the system will then have transmission at 500/230/138 KV.

Prospective bidders from member countries of the IBRD or Switzerland are invited to inditate in writing their desire to be included in a mailing list to receive, at the time of the issue of the bid documentation, an official invitation to participate in the bidding. Letters shall be addressed to:

Companhia Hidro Eletrica do Sao Francisco---CHESF Diretoria de Suprimento Departamento de Compras e Contratacoes Divisto de Aquisicous Especiais Ruz Dr. Elphego Jorge de Souza, 333 50.000 — Recife — PE

The bid documentation will be available only at the above mentioned address at a cost of U.S.5200.00.

UK NEWS-LABOUR

Plans to restructure post union rejected

on changing its structure came to an abrupt end yesterday

Their decision was made in the face of a warning from Mr. Tom Jackson, general secre-tary, that unless decisions on internal reorganisation were taken now "the united fabric" of the union would be endangered.

The conference in Bournemouth, did, however, agree to delay a detailed report on the union's structure until the full implications of Government legislation to split the Post Office were clear.

This probably means that a report will not be put before another conference until 1982.

Delegates, decided to change the union's name to the Union of Communication Workers from June, in recognition of the division of the Post Office. The executive had proposed the

Pay threat to Blue Circle plant

By Our Belfast Correspondent

A SHADOW has been east over the future of an Ulster cement works owned by Blue Circle Industries because of a pay dispute affecting the unloading of coal and raw materials.

A small section of the 200-

strong labour force at the Larne works is refusing to accept new arrangements to speed up

unloading.

Blue Circle has halted deliveries of both coal for running the kiln and clinker for grinding into cement. The plant, which supplies much of Northern Ireland's cement, was shut on Saturday and the company gave the workforce seven days in which to accept the new

The General and Municipal Workers' Union convener at the works accused the company of failing to stick to agreed negotiating procedures. There were no geninue fears of closure, he said.

Employment attacked

By Our Labour Staff

THE GOVERNMENT should give the TUC two years in which to the its shifty to control the to test its ability to control the activities of the trade union movement before legislating, a union leader said at the week-

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, urged Ministers, "even at this late stage" to withdraw the Employment Bill, which seeks major amendments to labour law.

Trade union resistance to the plans will be expressed at a special TUC conference tomorrow in London, to which delegates from all affiliates have been invited.

Mr. Weighell, speaking at Cambridge University, said Government policies could lead to "massive social unrest.

"We must compel the Government to change course or they will lead us to disaster."

Unions 'are scapegoats' MR. RON HAYWARD, the

Labour Party's general secre-tary, yesterday accused Mrs. Thatcher of being intent on smashing the unions to smithereens."

The Prime Minister was pillorying 12m trade unionists and their families as the scapegoats for Britain's problems, he said. But for her to pretend that the unions hold the whiphand in Britain these days was "a distortion of the facts of which Dr. Goebbels would have been proud." Speaking at a meeting of

Labour Party officials Brighton, he warned Government that curbing union power may have short-term superficial popularity "But in the long run such attempts not only provoke strikes, they turn the majority of the working population against the Govern-ment and are electorally disastrous."

Meccano mass meeting today THE 940 EMPLOYEES, mostly

women, who have occupied the Meccano toy factory on the Edge Hill Industrial Estate, Liverpool, for seven weeks. have been called to a mass meeting at the plant this morning.
Union officials and shop
stewards will explain joint talks
in London on Friday with the
parent company, Airfix Industries. It was agreed then to form a joint working party on the possibility of an outside interest, such as the Maharishi Mahesh Yogi's Age of Enlightenment Company, taking over the

when delegates refused to executive's report had been a implement the executive's proposal to set up two autonotions in order to protect the union's telecommunication members.

The Government has decided to split the Post Office into two independent businesses. One of the union's problems

A SPECIAL conference of the name of the Amalgamated is that some unofficial recruit-Union of Post Office Workers Union of Communication ment demarcation lines, particu-tion changing its structure came Workers. Union of Communication ment demarcation that workers, are less secure than executive's report had been a proposal to set up two autonomous sections for its members in Posts and Telecommunications, in order to protect the

cation membership. But those who moved the conference resolution to delay siterations in the structure said the union should not be

Pickets like fair cops'

from Barnsley and two from Sheffleld—have applied to join the police force.

Mr. Bric James, Assistant Chief Constable (Staff Services) of South Yorkshire police, in charge of operations during the strike, commented:

the dispute 'I have been a policeman for 30 years and have been involved in quite a few pickets and strikes, but this

"stampeded" into changes.

is the first time I can remem-ber men wanting to join the force because of what they have seen on the picket line." "I take this as a compliment

COMPANY NOTICES

BRAZHIAN INVESTMENTS &A.

Sociedade de investimento Degrato Lei No. 1401 NOTICE OF EXTRAORDINARY GENERAL NEETING OF

NOTICE IS HEREBY GIVEN that entraordinary General Meeting of astitum investments S.A.—Sociocade investments, Decreto Lei No. 1401, il by held at Avenida Rio Branco. 136, 811 flow, Rio de Janeiro. 22th, on Friday, 25th January, 1980. 3 p.m. to consider and, if thought , pass the tollowing resolutions:

parage will be valued at the parage exocation on the last day on which the shares were dealt in on a Stock Exchange will be valued on a Stock Exchange will be valued

remainered of the investments from 3 threel to 2 (the) years and that the following worsing he substituted therefor:

Article 12—The invented capital will be substitute to a minimum period of permanence of 2 thruly waste, after which the proceeds of the Rouldente of the investment through the proceeds of the Rouldente of the investment through

Resolution 3.
That the following pursurasts be edged to Article 14:
Sole Paragraph—should the removal for involved of a substantial procession of the assets of the Company, the period for fleudation may be extended to up to the working days.

Resolution 4: To delete Article 17 of the Articles of Incorporation and to re-combet the re-mainup Articles. Tesplotion S n Article 25 (New Article 24) letter

The anonous the Dudget of the Commons which as to be submitted on a thin monthly as capaced to a country which as to be submitted on a thin monthly as capaced to a country to the following and the powers and responsibilities of the Advice of the Commons.

(a) to advise on the investment solidors as a service of the Commons, the Board of Directors an a service of the common of the power of the common of the commons, and general business of the common of the co

iglistion 5 delate Article 30 of the Articles Incorporation, re-numbering the re-igning Arricles.

Residence is a section of the section.

Ev Orber of the Board.
GEOFFREY Allessenth LANGLANGE Freshent of the Administrative County.

ng any of the paying equals history between Couracty Trips Columny of New York, in Brogottle-Gammany of New York, in Brogottle-Gamman, and Arts 25. 1040—Gammani; New York, NY, 10015; Londont-25 Lamberd Strict, London ECSP 1251, supering with an extractions indicating the way the market be voted or allowable Mangaring Couracty Trips Couracty of New York to give a descriptionally brogy to a potential Stringer.

TOKYU DEPARTMENT STORE NOTICE TO EDR HOLDERS revires to EDR MOLDERS
NOTICE IS HERBEY GIVEN that
subject to shareholders' approval, the
above Company will pay a bail dividend of Yes 3.00 per share to shareholders as of record data january 31,
1980. With effect from January 22,
1980, the phares will be traded exdividend in Tokyo.

Subject to approval of the distribution

1980. With effect from January 21, 1980, the thares will be traded excluded in Tokyo.

Subject to approval of the dividend, Coupon No. 7 will be used for the purpose of claiming such dividend and will be deemed to lase mastered en January 28, 1980. With effect from that date Coupon No. 1 should be detached from any EDR presented for survenider and will not be issued with any new EDR.

To accordance with means

BEARER DEPOSITABY RECEIPTS
Representing Presented Stock of
BAXTERVITAVEMOL.
INTERNATIONAL CAPITAL
CORPORATION
List SIE CONVERTIBLE PREFERRED
STOCK A distribution of Dollar 0.32 per deposition y share test any applicable taxes demending on the presentor's country of residence will be navable on and after January 22, 1986 upon presentation of toopon to, 15 at the office of any of the following depositions of the state of th

—NEW YORK. 30 West Broadway
—NEW YORK. 30 West Broadway
—BRUSSELS. 35. avenue des Arts
—LONDON, 33. Lombard Street
—PARIS 14. Placo Vendome
FRANKFURT, 8. Beckenheime CREDITO ROMAGNOLO, VIA Armorari. VIS ROCCOMPAGNI. 27. ROCCE
EANN MEES & HOPE N.V., Heren-grach; 588. Amsterdam
EREDIRIBANK S.A., Bd. Royal, 43. Lasonabourg

NOTICE OF RATE OF INTEREST HILL SAMUEL GROUP LIMITED

U.S.S30,000,000 FLOATING RATE NOTES DUE 1992

he accordance with the provisions of the Adent Bank Agreement between this Samuel Group Limited and Critical Samuel Group Limited and Critical Samuel Group Limited 1, 252 of the Critical Samuel Group Limited 1, 252 of the Critical Samuel Carlo Samuel C January 21, 1080.

BANQUE NATIONALE

Floating Rate—Note Issue of U.S.\$ 70 million January 1977/83 The rate of interest applicable for the six months period begin-ning on january 21st, 1980 and

U.S.570,000,000 \$7% Notes 1884

set by the reference Agent is

Malders of the obone Notes are addised that the Redempited due on the 15th February, 1980, Le U.S. 15 005,000 Nominal has been effected by stricture. HAMBROS BANK CHATTED 21st January, 1980

PUBLIC NOTICES

TRAVEL

PERSONAL

CLUBS

EVE has guilted the others become of a switcy of the play and value for would conserve from - 50 - 30 am Story and the would find the story and the story and the story characters, standards that tests of the flow choice. 169, Request 9, 774 OLES, GARGOYLE, 98, Dean Error. Locator, WY. HEW STRIPTHASS FLOCKSOWY.

11-2-20 am, You've at Missagar and 1 and 1000-171, Cipado at Missagar and 1 and 1000-171, Cipado at Missagar and 2 and 1000-171, Cipado at Missagar and 3 a



These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

PALED PALED SEN PALED SEN

PARIS

NOTICE

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph."

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head

restraints at the rear as well as the front. You can even adjust the driver's seat for height,

as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find

central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's LUXUTY CAT! specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value.

SMOON FOR TOWN FOR PROCESS CORNECT AT THE OF SOME TO PRESS.

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HANDLING

Lifting and shifting containers

A SELF-ERECTING container gantry crane which it is claimed could be installed at any port in the world and is capable of dual purpose role makes the servicing the largest container SAMBA a fully integrated conships affoat has been designed by Sea Containers Atlantic. The company says the 408-ton with the need for back-up

crane has lower wheel loadings handling equipment such than any machine of comparable straddle carriers, fork-lift size and capacity and because of trucks and side loaders on the this it can be installed on exist- quayside. ing general cargo quays without need for the costly major civil engineering work normally driver's cab and three move-associated with gantry cranes. ments can be made simul-It is self-erecting, requiring only a minimum amount of equipment during assembly which takes about a month from delivery on site.
The self-erecting capability is

based on a system of pin jointing, which eliminates the need for welding during assembly and enables the crane to be transported in manageable parts. Erection gear is provided by reach, and load and discharge Sea Containers as a con-container ships carrying 12 rows tainerised kit and the company's of containers across their beam own engineers supervise the at a rate of 33 boxes an hour. erection process.

It was built at Morris Cranes,
With a span of 100 ft. between Loughborough, and is now

rails and a backreach of 35 ft., available for leasing.

INSTRUMENTS Aids calibration

stability necessary for the dioxide, nitric oxide, nitrogen accurate calibration of instruments used in atmospheric The main appeal of the Spectrapollution monitoring and con- Seal approach is that it protrol, BOC Special Gases, Morden, vides scientists with long-term Surrey, has formulated new, stability at concentrations down stable, reactive gas mixtures to fractions of one part per the Spectra-Seal trade-

nitric oxide, nitrogen dioxide or been a problem. Any variation tion of low concentration in the concentration of a single reactive gas mixtures. component can render a control or analysis process which is repeated over an extended period, completely invalid. It which include high specification is this problem that the Spectra-Seal range of stable reactive gas

Using technology developed over the last four years to meet U.S. National Bureau of Standards' requirements, the formulators of the range have 01-560 5166.

TO PROVIDE the degree of included water vapour, sulphur

the crane covers a large quay-

ing land-based transport. This

tainer handling machine, claims

Sea Containers, thus dispensing

Main crane movements are

controlled from a high level

taneously to give an average hourly handling rate of 33 boxes. To facilitate turn-round

of vessels, control of crane

movement along the quay can be effected from any of three

Called the SAMBA, the crane will handle fully loaded 40 ft.

ISO containers at 115 ft. out-

It was built at Morris Cranes,

stations.

telephone-linked

Treatment of the internal Lack of stability in low con- walls of the aluminium centrations of gas mixtures cylinders used to produce a containing carbon monoxide, non-reactive surface, is the key to the Spectra-Seal system. It hydrogen sulphide has always has made possible the produc-

> This latest addition to the BOC Special Gases range complements its existing products helium, gaseous 22565. chemicals, gas control systems, instrumentation, stable isotopes

and consultancy services.

• AGRICULTURE

Long-term storage of seeds

A "BANK" for vegetable seeds is to be established at the National Vegetable Research Station, Wellesbourne, Warwick, whose aim is to store on a long-term basis a seed collection of genetic material from different parts of the world.

Because such basic breeding stocks are essential to the food supply of the UK and other countries in the coming years, the venture has been initiated by OXFAM which has guaranteed the essential capital and running costs for the first seven years by setting up a special

Building work has started and the project will eventually provide for the long-term storage of seed of at least 12,000 different vegetable varieties in a cold room run at -20 degrees C.

Although there are ancillary features—one heated glasshouse 1990, the hardware costs of a to be identified. At the same and two cold-for the regeneration of seed of temperate vegetable crops, seed of tropical vegetables will only be stored at Wellesbourne.

G. F. Forster, National Vegetable Research Station, Wellesbourne, Warwick CV 35 9EF (0789 840382).

Making hay while the sun shines

A METHOD of drying hay and other crops, by means of a hotair solar system, has been developed in Israel.

Over a dozen farm settlements are using a massive solar collector roof system consisting of double-layered thin-walled polycarbonate sheets stretched five inches above some 1.300 square metres of heat-absorbing black panels. The air trapped inside reaches temperatures of 30-40 degrees F above that of the outside air and it is then circulated by blowers which can move 100,000 cubic feet per

Applications for the system is seen in drying peppers and spices for instance, on a vast industrial scale at a cost far below that of conventional systems using fossil fuels. It was designed by Helioset Advanced BOC, Great West House, Technical Engineers and the POB 39. Great West Road, sheeting is produced by the Q Brentford, Middx. TW8 9DQ. Company of 62. Hamasger St., Tel Aviv, Israel.

Provides data about data

ceeded in a low key, it nevertheless now has 70 users who, puterised information system for in the form of the ICL Data the data processing department Management User Group, are in which the idea is to produce

tions and even the complete replacement of the computer by another type. A typical example is when an attempt is made to integrate say, invoicing on an of the system by the same name and may, in any case, want to look at the same piece of data from a different standpoint.

figures which indicate that by software, allows interrelations

ALTHOUGH ICL first developed data processing department will time, standard documentation its Data Dictionary System be a mere 10 per cent of the results—one set that everyone in a DP department uses.

In essence, DDS is a comsoon to publish their experiences what might be called a commainly, it is understood, on the basis of their great enthusiasm for the product.

was impact the monality of data description. A conclusion arrived at by ICL is that the information needs of DDS stems from the problem the DP department are certainly of how to manage change in a no less than those of depart-data processing system, ranging ments for which systems are from the correction of program being provided—accounting ming to the addition of applica-production control and so on. Everything about the system

and the business for which it is built is entered under the five conceptual headings: entity such as the weight of a part); relationship (some kind of conexisting system, with stock relationship (some kind of con-control—the two groups of nection between two entities); people involved may not even operation (something which be calling the data components afters the value of the above); and event, something which can trigger one or more operations. Not only does this result in data in an organisation being referred to in a universal way, It all costs money in terms referred to in a universal way, of software staff; ICL quotes it also, by means of the DDS

in a DP department uses.

Thus, the totality of the procedures, processes, facts and other information involved,

whether DP or business oriented can be detailed. The organisation can then create, maintain and analyse a pool of data about the contents of the data processing system and the business system it models. Having assembled this database, the analyst/programmer can then interrogate/change it at will from a terminal, revealing

Data Dictionary System is available from BOC Datasolve as part of its ICL 2900 VME/B service. This bureau considers it to be of particular value when conversion is being undertaken from one computer type to another and points out that

any manufacturer's machines

can be tackled. ICL is at Putney, London W15 1SW (01-788 7272) and BOC Datasolve at 99 Staines Road West, Sunbury on Thames, Middlesex (Sunbury 85566).

• IN THE OFFICE

Further information from Dr. Word processing and business package

AFTER entering the word pro-cessing market in 1978 with its inch floppy discs installed adja-model 80, a VDU/floppy disc cent to the screen instead of nal, the 150 will easily expand machine, Monotype Communica-tions has decided to make a and uses a Diablo printer able ments. In each terminal, two

grammable, essentially multi-terminal system with ability to communicate with mainframe computers, accept OCR input, provide telex tape output and

By contrast the 150 is essentially a stand alone machine with software built in and can Terminal hardware orginates 14 Cockspur Street, Lonion be supplied with two VDUs or in the U.S. and makes use of SWIY 5BL (01-930 1323).

Idea of the two-screen arrangement is to be able to software and a range of busiuse two operators to work a ness packages are provided, word processing and a business including stock control, costing, data processing terminal at the personnel records, payroll, insame time, with, it is said, no voicing and several others. mutual interference.

somewhat less systems oriented to work at 40 characters/sec. double-density, double-sided offering with the model 150, at With two acreens the price is rather lower effective prices. just under £12,000, or £7,500 equivalent of about 572,000. The model 80 was a user pro- with one. Field-proven word processing

voicing and several others.

More from the company at

and PET will also process words

OVER 15,000 PET computers hardware to accommodate the have been sold in the UK since the launch of this microcompu-

Selling is now at a rate of 1,000 units per month in Britain and many independent software suppliers have developed and marketed Commodore-endorsed PET software.

One of the newest software word processing. Specifically designed for use with the 16K

program functions. This package can be installed the PET with a minimum of fuss, in conjunction with Commodore's 2040 dual drive floppy disc unit it gives the user a capability to process

more than 300 pages of text. Combined with a compatible packages made available covers a powerful computer-word processor system for under £2,600. For applications requiring a and 32K "big keyboard" ver- high quality print-out the sions of PET, WordPro II is un- system would include a daisy is carried out. usual for as well as floppy disc- wheel printer instead of a based software, the package also matrix printer, but, as such, includes the necessary ROM would still cost less than £4,000.

In operation, WordPro II follows conventional wordprocessor practice. The text is entered, using the typewritersized keyboard, the screen acting as a "window" to display a working text area of 24 lines. As the text is processed, it can be moved either up or down Combined with a compatible the screen thereby bringing printer, the equipment becomes fresh text into the window. A "status line" at the top of the screen ensures that the operator is always fully aware of the cursor position as line editing

NWI. Tel: 01-388 5702.

ft of warehousing and offices

At the beginning of March

work is to be started on a

work has begun on a new pottery and warehouses at Den-

costing £408.000.

(Basingstoke)

CONSTRUCTION

Supply of design systems

APPLIED RESEARCH of Cam bridge has won a contract with the Kuwait Prefabricated Building Company for the supply of computer-based building design systems to help the Kuwaitis develop large building programmes in Kuwait. The contract is to develop

and provide an extended version of ARC's Building Design Systems BDS, and is valued at £87.000.

Kuwait Prefabricated Building Company, partly owned by the Kuwalti Government, specialises in pre-cast concrete building structures for housing, schools and large social complexes. Blas is now up and running on the Kuwait company's DEC PDP11/70 computer installed in its central offices, hospitals. Major extensions include the Applied enhancement of the BDS soft 65015.

Norgren **B38** Instrument Filter-Regulators specially designed for the Process and Petrochemical industries. MAN NORTH LID

ware to cope with local building regulations, measurements and currency structures. This is an integrated computer system covering an aspects of building design, take ing over routine procedures such as drawing, scheduling and costing. It is suitable for a wide range of applications especially those which utilise a large amount of standard components in their design; for example, office blocks, major industrial building schemes, educational establishments and

Research on 6223

a meter deflection and an

audible signal in the operator.

long and the casing is of heavy

duty PVC with nylon and fit

fitted internally, giving a life

of 20 hours.

Locates deep-down pipes ABLE TO detect pipes first are the company's J1078. United buried to a depth of 14 feet, ground position is indicated by the J579 deep tracing escillator from Sharetree of Stroud can be used in pipes in conjunction headphones.

with a commercial rodding The capsule is only 41 inches system to allow sharply curved routes to be traced from ground

level. tings. Any rodding connection.

This 2 inch diameter capsule can be fitted to order, the see emits a 91.5 kHz signal and is either supplying or specifying able to negotiate features such the required connection. Proven as trap gullies; its emission can is from a PP3 nine-volt better not be confused with that from fitted internally, giving a H mains cables.

Progress of the device can More from 70, Westward be followed on the surface with Road, Stroud, Glos., GLS 414 any suitable receiver such as (04586 2006).

• MATERIALS

Makes a better filter

FILTRATION IS one of the gress remains to be made. National Research Develop-

ment Corporation, recognising this as one of the problem areas, has invested about £100,000 in a joint venture project with Charcoal Cloth, of Wimborne, Dorset, aimed at developing and making a charcoal cloth which combines filtration characteristics much superior to comparable materials, with a resistan+ base.

By definition, charcoal cloth is made of 100 per cent activated charcoal fibre in the form of a woven cloth. It has an adsorptive capacity many times greater than that of filaments to which Commodore Business Machines charcoal granules have been 360, Eusten Road, London, attached by one means or

Many disciplines are involved major processes in modern in the development of such technology and, probably, one material which started at the of the areas in which much pro- Porton Down biological warfare establishment.

> The process is now integrated and continuous, starting with a woven cloth made from cellalose fibres and ending with a charcoal cloth of high flexibility and having good tensile strength. Pre-treatment gives a good process yield and the final product has an enormous internal surface/area ratio.

In many applications, to achieve a given degree of protection requires between five and ten times less charcoal cloth than the commonly employed nut shell charcoal

NRDC, Kingsgate House, 86,

Building and Givil Engineering

Trollope & Colls wins £8.4m

CONSTRUCTION OF a new head office in Colchester for the Royal London Mutual Insurance Society has been awarded to Trollope and Colis which says the £8.4m contract covers work for the building of the superstructure and finishings (sub-structure and neighbouring multi-storey car park already having been completed under a separate contract).

The new building will be on the Middleborough island site which is near to the ring road system currently under construction. Offices will be linked with the multi-storey car park by an enclosed footbridge over

Designed by architect Cruickshank and Seward on a site using rustic bricks, hand-made roofing tiles and traditional leadwork as the external finishing materials.

It will be arranged around the courtyards, and tiled roofs are to be at varying levels up to a height of five floors with octagonal stairtowers at intervals around the plan.

Office space of 14,000 square Suffolk border. feet will be provided, plus three The company is the civil engi-passenger lifts and a goods lift. neering arm of the Jackson

building will be enhanced, says the company, by attractive landimmediately outside the Roman scaping both around the wall of "old" Colchester, the perimeter and within the court-building will harmonise with yards. Consulting engineers the surrounding architecture, are Mott, Hay and Anderson.

£2.4m road

A CONTRACT worth £2.4m has been awarded to Roadworks (1952) for the construction of Beccles Bypass on the Norfolk/

Work starts in February.

registered construction

To build more homes

worth of new awards to Sir Alfred McAlpine and Sons (Northern) is a £4.8m task to build 320 homes in the Birch-wood District of Warrington

Cheshire, a 976 square metres prefabricated laboratory is to be set up at a cost of £684,000. Not far away, at Kirkby, near Liverpool, Kodak is to have an extension to its solution-making to cost around

£1½m worth to Tilbury

THREE contracts awarded to Tilbury Construction are to-gether worth over £11m. Largest worth £665,500 and is for an all weather athletics track at the Pittville Stadium for Cheltenham Borough Council. The contract also calls for the forma-tion of surrounding embank-Final surfacing of the track will be carried out by En-Tout-Cas under a separate order.

Sheffield Insulations has placed a £540.000 order for a European Development Fund. warehouse and office development in West Bromwich and Percy Bilton has awarded Tilbury a £377,000 contract for a bridge, road extension and river works at the former's industrial development Uxbridge, Middlesex.

£44m awards to Warings

FOUR CONTRACTS, totalling The next largest award is about £4½m, are being under-taken by Warings (Contractors) worth £1.35m, is for 88,000 sq. worth £1.35m, is for 88,000 sq. of Portsmouth. Work has started on the at Guildford, Surrey. Architects largest, worth £1.8m. This is are D. S. Tucker and Partners. for a supermarket shell, block of nine shops, a petrol station, public house and squash courts £700,000 contract from New at Canford Heath, near Poole, England

Dorset. Car parking, service eight factory units at Basing-roads and yards are included stoke, Hants. In the meantime in the contract which is being undertaken for International pottery and warehouses at Den-Stores and Bass Wales and mead near Waterlooville, Hants, West. Architects are James A. for Denmead Potteries. This is

£2.97m won by Lovell

LEAD CONTRACT in just England. The work includes the under £3m worth of new busi-building of an electrical subness to Lovell group companies station, extending ring main is the £1.3m award to Y. J. 11 kV circuits and the upgrad-Lovell (Southern) for an office ing of existing laboratories. Additionally, the company a former NCP car park in has a contract for £207,390 for Kingston on Thames, near London.

Four storeys of structures puter block. will provide 31,000 square feet of new shop and office accommodation. Architect is Fitzroy Robinson

The same associate company is to build £919,900 worth of electrical plant for IBM at the latter's Hursley research centre near Winchester in southern

the construction of the foundstions for a proposed new com-

For its part, Lovell Housing has won another contract at the Dale army camp, Chester, where it already is involved in a new contract covers the provision of £528,902 worth NAAFI buildings, with clinic, exchange stores and community

New sales floor and plant work goes hand in hand with

On the civil engineering side.

Gas plant and store

Construction.

Construction.

The laying of 12,000 feet of new pipework is involved together with connections to firstallations on an adjacent section of the sewage treatment site, extensions to existing pipework etc.

Down court in Reichal work is fam Apart from the filters.

Down south in Bristol, work at £4m. Apart from the filters, has begun on refurbishing part the company will provide one of the Littlewoods store at The kilometre of 1400mm pre-Horsefair under an award stressed concrete main.

social.

32,200 hectares (80,500 acres), mainly in grassland. Comprehensive countryside studies have already been carried out by the company in the Sudan, Iraq, PDR Yemen. Somalia, Iran, Indonesia and Sierra Leone, resulting in sub-

in London EIGHT storeys of office premises

New offices

are to be built by Costain for St. Martin's Property Investments under a £4.4m contract. This block is to be set up on piled foundations and will have aluminium and granite cladding. The site is in Hammer-

Work has started and is due for completion in mid-1981. The architect for this project is R. Seifert and Partners and the structural engineer Pell Frischmann and Partners.

Work in Cornwall

THROUGH its division based in Redruth, Cornwall, Isis Construction has won £21m worth of new projects including effluent and water treatment plant and new factories. At the St. Austell and Wendron centres, work will take 90 around £800,000. and 78 weeks respectively to complete.

An extension to the Fred Rees (Helston) factory will represent the 16th factory unit for the Dol's English Industrial Estates Corporation.

barriers

MORE THAN 11m worth of work is to be carried out by Southern Counties Construction for railway bridges, motorway fencing and crash barriers in

add up to about £600,000. John Laing and Wimpey have also placed a further £390,000 worth of fencing and barrier

Cladding

WORTH over film and won in the face of flerce Continental competition, a contract to the cladding department of the Rolled Products Division of The British Aluminium Company is

Negotiated with Nationale Staal En AluminiumIndustrie BV of Rheden, Holland, it is for the supply of aluminium cladding and all accessories for warehouses at Baghdad, Basrah and Mosul.

Victoria Street, London SW1E .CRENDON The right way to build FACTORIES OFFICES

& WAREHOUSES

RENDON CONCRETE CO. LTD

Long Crendon Bucks.

Tef: 208481

Wates to refurbish offices

INTENDED mainly to provide major refurbishment to offices in London, a series of three new awards to Wates Special Works add up to just under £11m. Largest is conversion of offices

for Japan's Sumitomo Group in London's Cheapside to cost In the Minories, also in London, £200,000 is to spent on improvements to offices for Usborne and Sons (London). For the Camberwell Grave Estate, the replacement of 243 windows will cost £152,000.

Improving access

CONSTRUCTION of 15 kilo metres of the A9 road between Kingussie and Aviemore lias gone to William Tawse under a-fem contract awarded by the Highland Regional Authority of

Scotland. Five reinforced bridges will be included in the work, which will start in March and take 2} years to finish. This is the fourth major. section of the A9 to be built by Tawse.

STRAN Builder

Company, manufacturers of the Stran Builderships throughout steel building systems, are setting up a new network of Stran. Quonset and related the United Kingdom and Eira. Interested Contractors who pre-engineered building system

Franchises

have a design and build capability and experience on should apply to: David Love, Director of Marketing, National Steel Products Company, No. 2, Front Street, Acomb. York YOZ 38Z

Finally, the setting of the Today's Industrial Buildings

Bell & Webster manufacture a wide range of industrial frame buildings. The simplicity and cost effectiveness of this proven system cuts construction time, offers the builder and the industrial user a custom built product and meets a wide range of budgetary requirements. Get the facts about the complete range from



Bell & Webster Ltd An Eleco Holdings Company & Belcon House, Essex Road, Hoddesdon, Herts EN11 0DR. Telephone: (61) 67141

£7m task in

Abu Dhabi CONTRACTING AND TRAD-ING CO. of Lebanon has been awarded a contract for additional work worth just over £7.2m at the Field Engineers Regiment camp at the Sheik Zayed cantonment in Sweihan, Abu Dhabi. The contract is for the UAE Armed Forces, and the consultants for the project are the H.Q. Engineering Corps.

Contracting and Trading Co. of the Lebanon is the parent company of Mothercat, a British

BULK of the work under £5.8m

New Town.
For ICI (Mond.) at Northwich,

and Partners and quantity sur-veyor Gardiner and Theobald. Property Services Agency. The

EXTENSION work at the British Gas Corporation's St. Fergus North Sea gas terminal work goes hand in hand with near Peterhead in Scotland will improved means of access and bring in £1.8m for John Laing a new shopfront,

Cattle ranch study JUST completed by Hunting covering ments and the provision of Technical Services is a beef economic and financial aspects rugby pitches and a car park, cattle ranching development were also carried out and prostudy in Papua New Guinea for

> The study involved an examination into the viability of communally owned cattle ranches as a means of increasing beef production. Three selected sites were studied, involving the technical appraisal of the sites in and their planned development Detailed feasibility studies, development.

posals for development and management at each ranch site were made. The three sites covered a total

the Department of Primary Industries, financed by the

stantial investment in livestock

Bridges and

the London area.

Fences and crash barriers on the M25 and A13 in Essex will

for Iraq

for Iraq.

The contract continues throughout 1980 and involves over 700 tonnes of Rigidal sheeting. The warehouses will be erected from April 1980.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Paul Betts reports on the shifting fortunes of the troubled Italian tyre and cables giant; he discovers top level management moves, a massive injection of new finance, and further changes in its relationship with Dunlop

A restructured Pirelli tries to bounce back

BY THE end of this month, phellik the Ralian partner in the Dunlop-Pirelli union which was formed nearly a decade ago, will have completely moved out of Milan, to more modest headmariers near the central park. In many respects, it marks the end of an era. The skyscraper, built just over 20 years ago, was one of the most eloquent. symbols of the Italian economic miracle of the 50s and 60s—or as Italians prefer to call it: "The gars of the boom." For Pirelli, the country's second largest private enterprise after the giant Fiat car manufacturing onglomerate in neighbouring Turin, the skyscraper represented a status symbol of its industrial and financial power

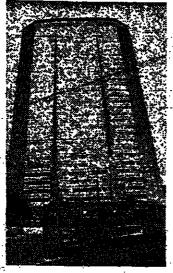
conomic fortunes of the Italian tyre and cables group—as indeed in those of the country at large—has now led to the sale of the famous building, for some IA3bn (£23.4m), to the Lombardy Regional Authority. The purpose was to raise badly needed funds to ease the finan-gal problems of Pirelli's Italian

Significantly too, the move into new offices coincides with sweeping changes in the top management structure of the Italian group, combined with a Pirelli's overall strategy, both major financial and industrial in Italy and abroad. recovery programme. This will Pirelli's worldwide interests inevitably have implications on are controlled by two separate the Dunlop-Pirelli union as a parents: the Italian holding

Begins to crystallise

The most striking change, on talian group since its origins in the Italian holding. . He will he 19th century, to give up the also sit on a newly constituted trie Pirelli. This is the main look after the overall affairs of Italian manufacturing company in the union, employing 30,000 people in Italy and with a turnover last year of about LL,000bn

Mr. Pirelli has been replaced s chairman of Industrie



forced to sell. Leopoido Pirelli (right) is to take charge of Pirelli's overall strategy as deputy chairman of Societe Internationale Pirelli. The new chairman of Industrie Pirelli is Filiberto Pittini (far right)

will shortly leave, Mr. Pittini says that the new top says management structure is largely aimed at giving Mr. Pirelli the time to take fuller charge of

company Pirelli Spa, which oversees Pirelli's main Italian and European interests, and the Basle-based Societe Internationale Pirelli (SIP) which controls the group's overseas

The most striking change, on the surface at least, is the decision of Leopoldo Pirelli, those family has controlled the deputy chairmanship of SIP to his chairmanship of executive committee which will the group. Its other two members are Mr. Pittini and Emanuele Dubini, the deputy chairman of Pirelli Spa.

In Italy, the management changes reflect a particularly ing tyres, cables and diversified fundamental re-organisation of Pirelli by Filiberto Pittini, who the group's industrial structure. has been with the group since According to Mr. Pittini, Pirelli 1948. From his office on the has been promoting this process top floor of the skyscraper he for some years, and it is now



beginning to crystallise. It is aimed largely at splitting up group's single biggest headache. absenteeism, lessen labour fric covery package involving a two and decentralising the group's. The tyre losses have been largely thon, and generally boost output stage funding operation, which different manufacturing divi- responsible for Industrie Pirelli's sions into separate autonomous series of losses over the past units, giving Pirelli a more seven years. In 1978, the tyre rational composition. division showed a loss of L30bn, It follows, in a sense, the and is expected to show a model of Fiat's recently comfurther, if somewhat reduced,

deficit for last year.

The losses are the result of

a combination of external and

internal factors. These include

the overcapacity in the world

tyre industry, dramatic increases

in raw material prices at a time

of reduced profit margins, and

inadequate productivity levels in Italy. Productivity. Mr.

Pittini says, remained unsatis-

pleted industrial re-organisation; which has seen the setting up of 11 separate manufacturing companies specialising in their respective fields under the umbrella of one holding. In the case of Pirelli, which operates in three main divisions, includproducts, a major step in this direction has just been taken by the decision to hive off Industrie Pirelli's tyre operations into a separate company.

These represent the Italian Italian trade unions to reduce gether a major financial re-

tion, and generally boost output per man. Moreover, Pirelli has also had

to find the necessary financial L173bn. resources to activate, since the middle of the 1970s, a series of revised recovery plans for its Italian operations, coupled with led to the accumulation of huge debts with crippling annual interest charges.

work out a solution to the specific problems of the troubled sector in order to bring it back

stage funding operation, which will increase Industrie Pirelli's share capital by L65bn to

The Italian parent, Pirelli Spa, will contribute by drawing from its reserves Lire 25bn, while a corsortium of Italian ambitious investment pro-banks, led by the Milan Medio-grammes abroad. All this has banca special credit institute, subscribes L40bn in exchange Industrie Pirelli,

The decision to separate the After five years, however, tyre division is an attempt to Pirelli Spa, the parent, will buy back this 23 per cent stake, paying the banks accumulated interest at a fixed annual rate of factory despite Pirelli's arduous into profit within the next two 7.5 per cent on top of the Dunlop appear to be adopting attempts over the past five years or three years. To this end, nominal L40bn Eighteen Italian towards their respective indus-

debt into the medium term to reduce the company's heavy debt interest burden.

Behind Pirelli's latest financial recovery programme is the figure of Sig. Enrico Cuccia, the chief executive of Mediobanca, who has been a protagonist in the recent series of operations vhich have seen the Italian banking system coming to the rescue of troubled enterprises. It was also Mr. Cuccia who played a key role in the negotia-tions which led to the Dunlop-Pirelli union in 1971.

Pirelli's decision to buy back the 23 per cent stake of the banking consortium, Mr. Pittini explained, was largely designed to protect the Italian group's long-term interests by prevent-ing the eventual sale by the banks of large blocks of their shareholding interests in Indus-trie Pirelli. It also reflected, Mr. Pittini claimed, Pirelli's fears of any eventual strategic retreat by the Italian group from this business.

This commitment to tyres appears to be backed up by the agreement with Dunlop that the Italian group should regain complete management najority financial control this month over its UK tyre manufirturing subsidiary, Pirelli Limited. Since the 1971 union. it had been under the partial control of Dunlop which took a 51 per cent stake in it. Dun-lop's stake in the UK company has now dropped to around 40 per cent following a £4m capital increase, of which Pirelli subscribed £3m and Dunlop £1m.

In Italy, Industrie Pirelli's new capital reconstruction will also see Dunlop's share in the Italian manufacturing company further reduced. At the start of the union, Dunlop's stake totailed 49 per cent. It was subsequently cut back to 30.4 per cent following Dunlop's decision in 1975 not to subscribe to an Industrie Pirelli capital drops to 19 per cent.

What seems to emerge from this intricate tangle of chang-ing shareholding interests is the differing strategies Pirelli and to reach agreement with the Pirelli is currently putting to-banks will further convert some trial and financial problems.

While continuing to expand its cable manufacturing activities. particularly abroad, Pirelli appears intent on pumping con-siderable resources into the recovery and rationalisation of its tyre division. This is ulti-mately designed to strengthen the tyre division by improving productivity of existing plants rather than investing in new ones. In Dunlop's case, the recovery of tyre operations also has top priority, but it has a broader range of other businesses on which to concentrate

Unhappy marriage

As for the tyre union, it was never a very happy marriage. With the exception of collaboration in research and development, the original concept never commitment in its traditional envisaged a particularly close tyre operations, thus mollifying integration of commercial and production functions between the two partners. It was to a large degree a financial arrangeafter it was consummated came under strain as Industrie Pirelli's financial problems de teriorated.

As Leopoldo Pirelli once remarked, referring to Industrie Pirelli's problems soon after the agreement with Dunlop in 1971: The bride had to be taken to her bed with a fever on the first day of the honeymoon." But if the bride is still struggling to get back on her feet, the groom is now also ill.

In a sense, Pirelli's and Dunlop's problems in the troubled troubled tyre sector could eventually lead to a general reappraisal of the logic of the union. Indeed, there appears to be broad consensus on the need for rationalisation in the European tyre industry as a

In a recent Italian newspaper interview, Mr. Pirelli said that the problems facing all tyro manufacturers in Europe madrationalisation all the more vital. "Only in this way can we hope to see the recovery of Dunlop's and Pirelli's tyre divisions in a market where overcapacity has unleashed price war which has already had

TENDERS MUST BE LODGED NOT LATER THAN 10.00 A.M. ON PEDNESDAY, 23RD JANUARY 1980 AT THE BANK OF ENGLAND, NEW ISSUES (T), WATLING STREET, LONDON, ECAM SAA OR NOT LATER THAN 3.30 P.M. ON TUESDAY, 22ND JANUARY 1980. AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND. TENDERS MUST BE IN SEALED ENVELOPES MARKED "TREASURY TENDER".

ISSUED BY TENDER OF £1,000,000,000 12½ per cent. TREASURY STOCK, 2003-2005 MINIMUM TENDER PRICE £91.50 PER CENT.

PAYABLE AS FOLLOWS

Deposit with tender On Friday, 15th February 1980

S 10

dish

£25.00 per cent :

£45.00 per cent Balance of purchase money On Friday, 14th March 1980

INTEREST PAYABLE HALF-YEARLY ON 21st MAY AND 21st NOVEMBER

This Stock is an investment felling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to

The principal of and interest on the Stock will be a therge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom. If not previously redesmed, the Stock will be rapaid at par on 21st November 2005, but Her Majesty's Treasury reserve to themselves the right to redeem the Stock, in whole or in part, by drawings or otherwise, at par on or at any time after 21st November 2003 on giving not less than three months' notice in the

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one new penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Fransfers will be free

Interest will be payable half-yearly on 21st May and 21st November. Income tax will be deducted from payments of more than £5 per annum. Interest warrents will be transmitted by post. The first payment will be made on 21st May 1980 at the rate of £3.2776 per £100 of the Stock.

Tenders must be lodged not later than 10.00 a.m. on Wednesday, 23rd January 1930 at the Bank of England, New Issues (T), Watling Street, London, ECAM 9AA or not later than 3.30 p.m. on Tuesday, 22nd January 1980 at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England. Each tender must be for one amount and at one price. The minimum price, below which tenders will not be accepted, is £91.50 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 25p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

A separate cheque representing a deposit of £25.00 per cent of the nominal amount tendered for must accompany each tender; cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isla of Man. Tenders must be in sealed envelopes marked "Treasury Tender". Tenders must be for a minimum of £100 Stock and for multiples of Stock as

Amount of Stock tendered for £100 £100—£2,000 £2,000—£5,000 25,000-£20,000 £5,000

£100,000 or greater Her Majesty's Treasury reserve the right to reject any tender or to ellot a less amount than that tendered for. If undersubscribed, the Stock will be allotted at the minimum price, the balence of Stock not tendered for being allotted at the minimum price to the Governor and Company of the Bank of England, Issue the minimum price to the Governor and Company of the Bank of England, Issue Cepartment. If oversubscribed, all allotments will be made at the lowest price at which any tender is accepted (the ellotment price), and tenders at prices above the allotment price will be allotted in full.

Letters of allotment in respect of Stock allotted will be despetched by post at the risk of the tenderer. No allotment will be made for a less amount then £100 Stock. In the avant of partial allotment, the balance of the amount paid as deposit will be refunded by cheque despetched by post at the risk of the deposit will be refunded by cheque despetched by post at the risk of the industrial allotment is made the amount paid as deposit will be returned including the self-wall be allottened but no likewise. Paymant in full may be made at any time after allotment but no discount will be allowed on such payment. Default in the payment of any instalment by its due date will render the deposit and any instalment previously paid liable to forfeiture and the allotment to cancellation.

Letters of allotment may be split into denominations of multiples of £100 on Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England. New Issues, Watling Street, written request received by the Bank of England, on any London. £C4M 8AA, or by any of the Branches of the Bank of England, on any date net fater than 12th March 1980. Such requests must be signed and must date net fater than 12th March 1980. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any instalment payment is overdue).

Letters of allorment must be surrendered for registration, accompanied by a completed registration form, when the balance of the purchase money is peld, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 14th March 1980.

Unit the close of business on 18th April 1860 Stock issued in accordance with this prospectus will be known as 12½ per cent Treasury Stack, 2003-2005 "A": this prospectus will be known as 12½ per cent Treasury Stack, 2003-2005 "A" Stock will the lays date for lodgment at the Bank of England of transfers of "A" Stock will the lays date for lodgment at the Bank of England of transfers of "A" Stock will be 14th April 1980. The interest due on 21st Mey 1980 will be neid separately be 14th April 1980. The interest due on 21st Mey 1980 will be neid separately on axisting holdings of 12½ per cent Treasury Stock, 2003-2005 and on holdings

and the second section of the second section is the second section of the second section of the second section is the second section of the second section in the second section is the second section of the second section in the second section is the second section of the second section in the second section is the second section of the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the section is the second section in the section is the second section in the section is the section in the section in the section in the section is the section in the section is the

of "A" Stock; consequently, interest mandates or authorities for income tax exemption recorded in respect of existing holdings will not be applied to the payment of interest due on 21st May 1980 on holdings of "A" Stock. From the opening of business on 17th April 1980 the "A" Stock will be amalgamated with the existing stock.

England; at the Bank of Ireland, P.O. Box 13, Donegati Place, Belliam, RT: 55 at Mullens & Co., 15 Moorgate. London, EC2R 6AN; or at any office of the Stock Exchange in the United Kingdom.

BANK OF ENGLAND

LONDON

THIS FORM MAY BE USED TENDER FORM

This form must be ladged not later than 10.00 s.m. on Wednesday. 23rd Januar 1980 at the Bank of England, New Issues (T), Watling Street, London, EC44M 9AA or not later than 3.30 p.m. on Tuesday, 22nd January 1980 at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of

ISSUE BY TENDER OF £1,000,000,000

12 per cent. TREASURY STOCK, 2003-2003

MINIMUM TENDER PRICE 19150 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND I/We tender in accordance with the terms of Lanuary 1980 as follows:—

£100—£2,000 AMOUNT OF STOCK £2,000—£5,000 £500 £ £20,000---E100,000 €5,000 2100,000 or greater TENDER PRICE (a)

ount of Stock tendered for

I/We haveby engage to pay the instalments as they shall become due on any allotment that may be made in respect of this tender, as provided by the said prospectus.

AMOUNT OF DEPOSIT (6)

I/We request that any latter of allotment in respect of Stock elletted to me/us be sent by post at my/our risk to me/us at the address shown below

of, or on behalf of, tenderer

PLEASE USE BLOCK LETTERS FIRST NAME(S) IN FULL

The price tendered must be a multiple of 25p and not less than the minimum tender price. If no price is stated, this tender will be deemed to have been made at the minimum tender price. Each tender must be for one amount and at one price. STAMP OF LODGING AGENT A separate cheque must accompany each tender. Cheques should be made payable to "Beak of England" and crossed "Treasury Stock". Cheques must be drawn on a bank is, and be payable in, the United Kingdom, the Channel Islands or the isle of Man.

Please also see Prospectus and Tender form for 13; per cent Exchanger Stock, 1983 on Page 11.

Sheraton. The fastest-growing of the three luxury hotel chains.



BY SAMUEL BRITTAN

THE IRRITATING FEATURE 38 per cent of his gross income of the home mortgage problem in his first year, 14.7 per cent is that it has occurred before, in ten years time and 5.7 per remedies have been suggested cent in twenty years. and ignored; and the whole debate has to start all over inflation forces borrowers to recome down.

Cartel

urg tio fee

So far so good. But what has prevented competitive rates being charged up to now? The answer is "political intervention." But the present cartel, with national rates recommended by the Association, is a standing temptation to politicians to intervene. If people put themselves in position to be raped, rape is likely to occur. The abolition of the cartel has been recommended dozens of times in independent every economic report; but its existence suits politicians and the Association a bit too much.

But even that is only a beginning. For we have the paradox that although on any rational consideration of the sums paid to service a mortgage, house purchase is a bargain basement with negative real interest rates for borrowers and almost various compromises between guaranteed real capital appre- that and the present system. ciation, costs still appear exor- These schemes amounted to bitant to many prospective home partial or total indexation, owners and phone-in radio pro- although a less controversial grammes are loud with their name was "low start mortgages."

The paradox was explained by first time buyer. He would pay first time borrower had to pay anti-social results.

This distortion occurs because The Building Societies pay at an accelerated rate, with Association has rightly said that the repayment disguised as inits members would be able to terest. The present mortgage tackle the mortgage queue if rate is 15 per cent; and let me they adopted more competitive understate my own argument by interest rates. This has been assuming that the inflation rate interpreted to mean that comes down to 12 per cent fairly nothing will be done at present, soon, and also by ignoring the but that mortgage rates will lag tax subsidy received by the behind other interest rates when borrower. Of the 15 per cent, the cost of money begins to some 3 per cent at most would represent a real interest pay-ment and 12 per cent early repayment of capital. As a result of inflation the greater part of a 20-year loan is repaid very quickly and the long-term advance is converted unwillingly

into a short loan. It would be sound finance for first time borrowers en masse to borrow to pay the excess burden of so-called interest payments in the early years. there are no facilities for the small man to do this; and there is a genuine risk if-but only inflation makes the course of an individual's real income more variable and more un-

Indexation

Last time the issue was acute numerous proposals were devised for smoothing out home buyers' payments so that they were constant in real terms but rose in money terms and for that and the present system.

Why then was nothing done? The answer I suspect lies in the none other than the Govern-ment's present economic adviser, ing Societies. This both reduces Professor Terry Burns, who in the pressure to innovate and a letter to The Times, on September 9, 1974, written jointly societies to tap the new sources with Prof. Harold Rose, illus-of funds which they might need trated the position of a typical to get new ideas off the ground

The key to progress is to put 23 per cent of his net income in home loans on a normal profit-mortgage payments to start making basis. There may be with, but the proportion would scope for Government intervenbe down to 19 per cent in 12 tion-for instance in insuring months and 16 per cent in two home loans to small purchasers years. Mr. Anil Markyanda of in the early years—but certainly University College illustrated a not in preserving a distorted different case in a letter to the market which, for allegedly Financial Times in which the social reasons, produces highly

The responsibilities of a landowner

vention of any human agency, can the owner of the property be made liable for the damage caused to his neighbour's land? The answer that any first-year law student would give would be unequivocally in the negative. But last July (only just now reported) the Court of Appeal in Leakey v. National Trust for Places of Historic or Natural Beauty* held to the contrary, where the owner had not taken all reasonable steps to prevent or minimise the risk

As with so much of English law, the rule against imposing liability developed from a leading case in 1868. There a mill owner employed independent contractors to construct a reservoir on his land to provide a watermill. In the course of the work, the contractors came on some old shafts and passages which communicated with the mines on the land of the millowner's neighbour. No one suspected that the shafts earth. The contractors did not not to have been negligent, he

of damage.

liable for the damage.

peril. If he does not, he is generally answerable for all the damage which is the natural short, the landowner is answerable for the "non-natural use of his land.

The case did not directly decide what the legal position would have been had the same injury been occasioned by a natural user of the land. The inference from the decision is that the landowner would not be liable for damage resulting from a natural use of the land, and ever since, that has been accepted as stating the law accurately.

There has been, in the century since 1868, a steady stream of court decisions in accordance with that proposition. One anomalous exception was, however, established in relation to the encroachment of trees, where the owner was liable for to the fact that trees, though block them up; when the things that grow and extend root reservoir was filled, the water and branch; as such they are a from it burst through the old readily and remediable source shafts and flooded the mines of damage by encroachment. While the mill-owner was found That apart, the distinction bewas nevertheless held strictly users of land has been severely maintained.

The development of the law

thing likely to do mischief if it, rule came in 1930 from Dr. A. L. escapes, must contain it at his Goodhart. Professor of Jurisprudence in the University of Oxford. Rarely can an academic lawyer in this country have had consequence of its escape. In so profound an effect by his writings on the law of England. His thesis was simplicity personified. An occupier of land must always take reasonable care in seeing that his land did not cause harm to others outside

IF SOIL and loose rock descend the person who, for his own in this way did not escape the an occupier must take reasonrom property onto neighbouring purpose, brings on to his land criticism of legal commentators, able care of his property.

In spite of this onslaught on the person who, for his own in this way did not escape the an occupier must take reasonrom property onto neighbouring purpose, brings on to his land criticism of legal commentators, able care of his property.

In spite of this onslaught on the law by a revered academic lawyer, the courts continued to Court of Australia in Goldman v.

BY JUSTINIAN

the land. There could not, logic-

An artificial pond becomes

limit liability to the cases of non-natural user. What, then, changed the minds of the Court of Appeal in 1979? The answer is a decision in 1966 by the Judicial Committee of the Privy Council in a Western Australian case on appeal from the High

THE WEEK IN THE COURTS

ally, be an exception to this rule where the harm was caused by a natural condition. And he gave some simple examples.

stagnant and infects the neighbourhood. The owner is liable. But if it is a natural pond. could the owner sit idly by and damage done to his neighbour's do nothing? Refuse is deposited did link the two properties, for land. That was due, no doubt, on land by ramblers; the law they appeared to be filled with to the fact that trees, though says the owner must use reasonnaturally on land, are living able care to abate the nuisance things that grow and extend root caused by the refuse blowing caused by the refuse blowing not completely extinguishing on to the next field. But if the refuse arrives on my land first as a result of gusts of wind, tween natural and non-natural can I permit it to remain there? The Professor concluded that whether natural or man-made. these could not be proper ex- If that represented the law of ceptions to the general rule that England as well as the law of

There, a red gum tree on the

defendant's land was struck by

Three days later, an excep-

Western Australia, it was the the Leakeys' property end of the National Trust's The underlying theory of the defence to Mr. Leakey's claim.

from the bank on the mound on to the Leakeys' land. The the National Trust knew that the instability of its land was a threat to the Leakeys' properties because of the real possibility materials.

lightning and caught fire in a fork 80 feet high. The defend-In 1976, after the very dry ant had the tree felled the folsummer followed by a wet lowing morning, but then, inautumn, a large crack opened in stead of extinguishing the fire the mound above the Leakers' with water as he could have house. The National Trust drew done, he left it to burn itself out. their attention to the danger from a major fall of soil. While the National Trust disclaimed tionally high wind revived the fire, which spread to and damaged the plaintiff's land. It was it was a natural movement of the held that in the circumstances soil, it invited the Leakeys to the defendant was negligent in come on to the land and do any work they liked to prevent any the fire. The Court said that damage. They declined to do so, no doubt taking the view there was a general daty of care that if anything did happen they upon occupiers in relation to could turn to the law to make hazards occurring on their land, the National Trust liable. Duly, a few weeks later, a large quantity of earth and some tree

Court of Appeal's approach was The National Trust case to conclude that the owner of raised the issue squarely for land is in the best position to decision. The Leakeys' two control what happens on his houses had been built to the land, however it arises, and west, and at the foot of a large hence must take the responmound on National Trust land sibility for it. The neighbour at Burrowbridge, near Bridg- cannot act on the other's land water in Somerset. Over the unless invited to do so by the years, soil and rubble had fallen owner, although he might lake protective action on his own land On the other hand why falls were due to natural land. On the other name, way weathering and the nature of the should something which has its soil. From 1968 at the latest, origin in some natural phenomenon cast a liability on the landowner? The conflicts is between the owner acting in a of falls of soil and other neighbourly way by guarding against any hazard on his hind and the neighbour protecting his interests against any potential

The law appears now to have switched towards preferring the principle of neighbouriness. at least until the House of any liability on the ground that Lords says otherwise. Unhappily for the cause of clarity in the law, the National Trust has accepted defeat. Instead of appealing to the highest court in the land it has sought protection in increased premiums on its insurance policies. • [1980] 2 W.L.R. 65.

stumps fell from the bank on to [1967] 1 A.C. 645.

Too easy for Border Incident

IT IS difficult to know what the fifth from the start. to make of Border Incident's facile victory in Kempton's Fulwell Chase on Saturday.

He was always travelling with consummate ease and returned to well-deserved acclaim in the winner's enclosure where

RACING

BY DOMINIC WIGAN

Richard Head said: "When he is really well, as he was today, have never seen anything capable of getting him off the

But the form of the Fulwell probably amounts to little. Weasel, the odds-on favourite, made a number of energy sapping mistakes, including a serious one at only

BBC 2

10.30 Working with Young

3.00 That's the Way the Money

3.30 Delia Smith's Cookery

4.10 Is There Life After

6.00 James Burke's Connec-

6.50 Training Dogs the Wood-

10.05 am It Figures.

People.

Course

5.35 Charlie Brown.

8.10 The Goodies.

11.00 Arena 11.35 Late News.

5.45 News.:

9.00 Minder.

6.00 Thames News.

6.35 Crossroads. 7.00 Give Us a Clue.

house Way. 7.15 Mid-Evening News.

7.25 Rock Goes to College.

8.40 Horizon.
9.30 Des O'Connor Tonight.

10.20 Russian-Language and

People. 10.45 The Light of Experience.

LONDON

9.30 am Schools Programmes.

2.00 Jamie and the Magic Torch.

12.10 pm Rainbow. 12.30 Numbers at Work. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 About Britain, 2.00 Food, Wine

and Friends, †2.30 Monday Matinee: "The Wrong Arm of the Law" starring Peter Sellers. 4.15 Clapperboard. 4.45 pm The Ravelled Thread. 5.15 Money-go-

7.30 Coronation Street. 8.00 Keep it in the Family. 8.30 World in Action.

10.30 Monday film: "Mackenna's .

Telly Savalas.

693kHz/433m 909kHz/330m & 88-97vhf steri

RADIO 1

3.55 pm). L30 Roads to Conflict.

These blunders undoubtedly put paid to any chance that King Wessel might have had, mistakes free, of extending his unbeaten record over fences

to 11.

Although Border Incident vould, on the strength of his showing, have run out a clear-cut conqueror of the favourite anyway, it is worth remembering Peter Easterby's post-Pintail Chase comment: "King Weasel (the winner) won't win the Gold Cup-Silver Buck will win at Cheltenham."

The fact remains, however, that Border Incident is now back at somewhere near his peak and major question marks remain against the names of several leading Gold Cup chances.

Ground conditions have im-

probable that racing will go ahead there today as well as at Stockton. My idea of the best medium

proved at Fontwell and it seems

on the Northern course is the Guy Reed-owned Cool Down, who put up a highly encouraging display on this course at the last meeting, running Skewsby to a couple of lengths in a division of the Shotton

> STOCKTON 1.15—Cool Down*** 1.45—Ragusa Bay 2.15—Cumbria 2.45—Autumn Glow 3.15—Badsworth Boy

3 45-Barrow FONTWELL -Shakyamonee*

SCOTTISH

2.00 Monday Matinee: "Smashing Time" starring Rita Tushingham and lan Carmichael. 3.45 Food, Wine and Friends. 5.15 Border Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.45 Crimedesk. 10.35 Late Call. 10.40 Open to Question. 11.05 Maude. 11.35

SOUTHERN

TYNE TEES

12.00 Farm Progres

Pro-Calebrity Snooker.

3.30-Rot Rig 4.00-Glenhawk**

Service except: 10.05-10.20 sm About Wales. 1.20 pm Panewdau Newyddion y Dydd: 1.25-1.30 Report Wales Head-lines. 4.45-5.15 Sm. 6.00 Y Dydd. 6.30-7.00 Report Wales. 8.30-9.00 Yr Wythor

1.20 pm Southern News. 2.30 "Run Wild, Run Free" staring John Mills. 5.15 Dick Tracy Cartoon. 5.20 Cross-roads. 6.00 Day by Day. 10.30 Southern News Extra. 10.35 Open Dors. 11.05

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 12.30 Monday Martines: "Storm In a Tascup" staring Vivien Leigh and Rex Herrison. 5.15 Mork and Mindy. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 10.00 News at Ten. 10.30 Northern Report. 11.00 North East News Headlines. 11.05 Monday Movie: "The Cat Creature," starring Stuart Whitman. 12.30 am

1.20 pm Lunchtume. 12.00 Monday
Matinee: "Vacation from Marriaga"
sterring Robert Donst and Deborah
Kerr. 3.45 Food, Wrne and Friends,
4.13 Ulster News Headlines. 5.15
Cartoon Time: 5.20 Crossroads. 6.00
God Evening Ulster. 10.29 Ulster
westher. 10.30 The Irish Fector. 11.90
The Odd Couple. 11.30 Gardaning
Today. 11.55 Bedtime.

YORKSHIRE 1.20 pm Westward News Headlines.
2.00 The Monday Matines: "The Purple Plain" starring Gregory Peck. 3.42 Gus Honeybur's Birthdays. 3.45 Food, Wine and Friends. 5.15 University Challenge. 6.00 Westward Diary. 10.32 Westward Lats News. 10.36 Soap. 71.05 The Love Boat. 12.00 Faith for Life. Love Boat. 12.00 Faith for 12.05 am West Country weather Shipping forecast.

YORKSHIRE 1.20 pm Calendar News. 2.00 Monday Matinas: "Salt and Papper" starring Sammy Davis Jar. and Peter Lewford. 3.45 Food, Wine and Friends. 5.15 University Challenge. 6.00 Calendar (Emley Moor and Belmont editions). 10.30 Pro-Celebrity Snooker. 11.15 Whet's On Next? 11.45 The New Avenges.

Britons. 11.50 Postry Please! 12.00 News. 12.02 pm You and Yours. 12.27 Top of the form. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.56 Shipping forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatra (S). 4.45 Short Story. 6.00 PM: News megazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Give or Take (S). 7.00 News. 7.05 The Archers. 7.20 Science Now from AAAS (second of two reports from San Francisco). 7.45 "The Davils" play (S). 9.40 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Hitch-hiker's Guide to the Galexy (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliamens. 12.00 News.

5.00 am As Radio 2. 6.30 Rush Hour.
10.03 The Robble Vincent Telephone
Programme. 1.03 pm London Live.
3.03 Showcese. 4.30 London News
Desk. 5.35 Look, Stop, Listen. 7.03
Black Londoners. 8.00 The Extre
Ordinary Lavel Show. 8.45 Question
Time from the House of Commons.
9.46-5.00 am Join Radio 2.

Capital Radio 6.00 am Graham Dana's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Mike Allen (S). 3.00 pm Rogar Scott (S). 7.00 Landon Today (S). 7.30 Adrian Love's Open Line (S), 9.00 Alan Freeman (S). 17.00 Tony Myatt's Lete Show (S). 2.00 Peter Young's Night Flight (S).

ENTERTAINMENT GUIDE

OPERA & BALLET

COVENT GARDEN. CC. S. 240 10 (Gardencharge credit cards 238 59) THE ROYAL OPERA Ton't & Thur 7. Werther. Fri 7.30: La Travieta. ROYAL BALLET. Wed & 527 7.30: Seeging Beauty. 55 Amph. seats at for all parts. from 10 am on day of For all parts. from 10 am on day of the parts.

ROYAL FESTIVAL HALL 01-928 3191. Today 3 & 7.30, Last Two Pfs, LONDON FESTIVAL BALLET IS SOCIZACILE PROG Of Totalkovsky's THE NUTCRACKER.

ADLER'S WELLS THEATRE, Rosebery Ave. 5C1. 837 1572. Credit cards 837 3858. 10-6 pm. Umt; Feb. 16 D'O'YL CARTE in GILBERT & SULLIVAN. Evg 7.30. Mat Sat 2.30. Tonight, Tomer & Weet The Mikado. Thurp Fri & Sat The Pirates of Prozance

ADLER'S WELLS THEATRE, Rosebery Ave. ECT. 837 1672. Credit cards 837 3856. 10-5 pm. Sonday 7.30. "THE ENCHANTMENT OF YIENNA." A Coscert Performance. Elizabeth Harwood. Nigel, Royal Philharmonic Orchestra.

ALBERY. S. From 9 am. 836 3878. Credit cards 379 6565. Group sales 379 6061. Eves 7.45. Mats Thur & Sat 4.0. OLIVER! GEORGE LAYTON, HELEN SHAPIRO. CHILD FREE with each ADUENT valid 16 yrs or under & at time of purchase.

ALDWYCH. S. CC. 836 E404. Box office open (19.00-6.00). Info. 856 5332. ROYAL SHAKESPEARE COMPANY In repertoire. THE GREEKS. Ten Greak plays given as a trilogy, No perf ton't. Wed. Thu. Low price prevs 7.30. Tomor Pt. Z THE MURDERS. Fri Pt 3 THE GODS Sat Pt 1 THE WARR RSC also at The Warrehouse and at Wyndham's Theare.

APOLLO THEATRE CC. S. 01-437 2562.
Red. price prevs from Tomor Eves 8.
Sat 5.30 & 8.30. Opens 25 Jan at.
TIMOTHY WEST as BEECHAM by Carvi
Brahms and Ned Shernn, directed by
Patrick Garland.

ARTS THEATRE 01-836 2132. TOM STOPPARD'S DIRTY LINEN. Monday to Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London. 24.00 23.33. £1.65, plus 15p temp. members 361. £4.85. £1.85. £1.85. ASTORIA. CC. 01-438 8031. 01-734 4291. 01-734 4389. BEATLEMANIA. Mon.-Thurs. 8.00. Frl., Sat. 6.00 and 8.45. Reduced rate Group bookings 01-437 3856.

BOULEYARD TH. at the Raymond Revus-bar, Walkers Court. Bewer Street, Cc Tel. 01-437 2561. PAUL RAYMOND PRESENTS Queen of America's sex films MARILYN CHAMBERS. Exclusive Srillah appearance. LIVE ON STACE. Twice nightly Mon-Sat. 8,00 and 10.00 pm.

CAMBRIDGE 01-836 5056. Credit Cards
Attented .01-836 7040. Mon. to fri.
8.00. Thurs. 3.00. Sat. 5.00 and 8.20.
THE HIT BROADWAY MUSICAL GREAT
MUSICAL ENTERTAINMENT CHICAGO
ELIZABETH SEAL. JENNY LOGAO.
COLIN BENNETT DON FELLOWS
HOPE JACKMAN and G. LYON,
Reduced prices for parties 379 6061.
835 6055. Students, Nurses, OAP
standby £1.50.

COMEDY THEATRE CC. 930 2578. Mon.-Sal. 9.00. Mais. Fri. & Set. 6.20. THE ROCKY HORROR SHOW. Groy Sales 80x Office 01-378 6061. Freephone

CRITERION. 930 3216. CC bookings 379 5585, Group sales 379 6061. Evs. 8.00. 551. 5.30 and 8.30. Thur. mat. 3.00. Half Price Peres. Mon. eve Ther. Mat. Nell Simon's LAST OF THE ENGL LOVERS, Les Montague, Georgie Male. Bridget Turner and Sasan Engel.

HER. MAJESTY'S. THEATRE. B30 5606.
Opening March 19. The Award Winning Broodway Musical, ON THE TWENTIETH CENTURY. Reduced price previews from March 10.

KINGS HEAD .226 1916, Dat. 7. Show & Estable Kohler in SHAKESPEARE LADY, 1.15 pm NIGHT DUTY The Life & Times of Fanny Kemble.

THEATRES

OLD VIC. 928 7616. Le Group TSE presents PERINS DE COEUR D'UNE CHATTE ANGLAISE (Heartaches of ar English Pussyczi). Evs. 7.30 (Thurs. and S4L mars. 2.30. Jaa. 21-26).

PALACE CC 01-437 6834 Mon., Thurs 8:00. Fri: Sat. 6:00 and 8:40 JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber, Gross sales 01-579 5067 or Freeblook 2381.

ALLADIUM. CC 01-437 7373. YUL BRYNNER IM RODGERS & HAMMER-STEIN'S THE KING AND I also starring. YIRGINIA MCKENNA. HOTLING 01-437 2055 EVS 7.30. Mat Wed & Sec. 244

PHOENIX THEATRE. CC. 01-838, 2294, Evgs. 8.00. Wed. 3.00, Sat. 5.00, & 6.30. SUSAN HAMPSHIRE, PATRICK MOWER SECOND YEAR OF TOM STOPPARD'S NIGHT AND DAY, Directed by Peter Wood. 655T PLAY OF THE YEAR. Evening Standard Dramp Award.

Prince of Wales Thearns award.

Piccapilly, From 9.00 am. 437 4506.

Codes. 836 1071. Evgs. 8.00. Thurs:

5.00 am. 8.00. Sat. 5.30 am 8.50.

HANNAM

CORDON BERRAL CIRT'S HANNAM

CAN YOU HERRAL CIRT'S HANNAM

Last 4 weeks. Must end Feb. 16.

PRINCE EDWARD. CC. 01-457 5677.

Evgs. 8.00. Mats. Thur. and Sat. at 3.00.

Evilla by Tim Rice and Andrew Lloyd
Webber. Directed by Harold Prince.

PRINCE OF WALES THEATER \$30.8561.

Webber. Directed by Harold Prince.

PRINCE OF WALES THEATER 930 8561
An Evening with TOMMY STELLE and his Company to the Tommy STELLE and his Company Even and 8.30. Fri. and Sat. 6.00 and 8.30. Book mover AYMOND REYUEBAR. CC. 01-734 1593
At 7.00. 9.00. 1.30 am. Opens un PAUL. RAYMOND presents THE FESTIVAL OF EXTINCAL 27th Sensational Year. Fully all-conditioned, ROYAL COURT. S. CC. 730 1745. 6 Perts. Only from Thior 7. Subs. 8. Sat. 5 & 8.30, 7184 Theaths Col. in Trells in The WIND by John McGrath.

ST. GEORGE'S THEATER. 507 1286

WIND by John McGrath.

ST. GEORGE'S THEATRE. 607 1128.

Evs. 8. Set. Mais. 5 (24 hr bkg.) Elw Hale. John Quentin in On APPROVAL Frederick Lonsdale's comedy. Special 2.30 Peris. Tue. to Pri. JULIUS CAESAR.

ST. MARTIN'S. Credit Cards. 836 1243.

Evs. 8. 30. Thes. 2.45. Sats. 5.00 and 8.03. B.00. Thes. 2.45. Sats. 5.00 and 8.03. B.00. Thes. 2.45. Sats. 5.00 and 8.03. B.00. Set. Sats. 5.00 and 8.03. B.00. Fig. 10.50 Lesslie HULLPS. JUNE WHITFIELD. SYVIA SYMS and ANDREW SACHS NOT NOW DRELING. Mon.-Thurs. 8.00. Fig. and Sats. 5.45 and 8.45. Reduced price 15.45. Ball. (Mon.-Thurs. B.00. Fig. and 8.55. Reduced price 15.545 and 8.45. Reduced price 257 3856.

STRAND, 01-836 2680; Evenious 8.00.
More: Thurs 3.00 Set 5.30 and 8.30.
MOREST RUNNING CONEDY IN THE
WORLD, NO SEX PLEASE—WE'RE
RITISH, Credit Cards 03-828 4745.
Group sales 01-379 5081 or Freebhone
2381.

10789) 63191.

TALK OF THE TOWN, CC. 01.734 5051.
AIR COMDITIONING, CREDIT CARDS.
LONDON'S GREATEST NIGHT OUT.
From 8.00. Dinking and Dancing.
9.30 SUPER REVUE BUBBLY.
AT 11.00 THE BLACK ABBOTS.
DANCING THL 1.00 Am.

VALUEVILLE 01-835 9986. Evos. 8.00. Sat. 5.30 and 8.30. Wed. Mat. 2.45. ALAN BATES in STAGE STRUCK A new thriller by Simon Gray, VICTORIAP PALACE CC. 01-824 4755-6. 01-834 1317, Evos. 7.30. Mats. Wed. and Sat. 2.45. ANNIE Group Sales 200. Office-01-378 8061 or Freephone 2300.

WAREHOUSE, Donmar Theatre. Covent Gardon. Box Office 836 8808. S. Royal-Shakespeare Company, Ton't tomor 7:50 Fremiere Barrie Keefle's BASTARO ANGEL (not setzble for children). Al seats \$2:10. Students \$1:10. Adv bkgs Aldwych.

STRATFORD-UPON-AVON, Royal speare Theatre (0789) 292271. Immediately available for RSC peris of JULIUS CAESAR tomor. 0789) 68191.

WEST END THEATRE S. CC. 928 2252.
OLIVIER (oneo sizge): Ton't 7.30 AS
YOU LIKE IT by Shakespears. Tomar 7.30
Risbard III. (Undiscovered Country must
end 31 Jan. extra per 28 Jan.
LYTELTON (proscenium stage): Ton't &
Totoor 7.45 WHEN WE ARE MARRIED
by J. B. Priestier.
COTTESLOE (small auditoriom—all diss
£2.50. Student Standby £1.20): Eugen
O'Nelli Season: Ton't 8.09 (prey), Tomor
8.00 (opening) HUGHIE (with Stacy
Keed).

CINEMAS

THEATRES

ABC 1 & 2 SHAFTESHIPY AVE. BSS BAG1. See. Port. ALL SEATS BEASE. 1: APOCALYPSE NOW (X) WIL and Sum. 1:15. 4.30, 7.58. 2: TIME AFTER TIME (AA), WE and Sem. 2.00, 5.00, 8.00.

CLASSIC POLY, Oxford Circus (Upper Report Street), 637 9863, LAST 3 DAYS STRAW DOGS (X), DEATH WEEKENS CLASSIC 1. 2. 3, 4, 5. Oxford St. 016336 0310 (op. Tothenham Court Rd. Tubel. 1: James Broin. 1916 A4517 YELLE HORKOR (JO. Foll stereophonic Edged. Pross. 1.00, 3.25; 555, 3.20. 2. LAST: 3 DAYS! Anthony Chim CARAVARIS (A). Pross. 2.00, 5.00, 5.00. 2. Woody Allien MARHAFTAN CARI. Pross. 12.50, 2.50, 4.50, 6.50, 5.50, 4: J. R. Tolkien's THE LIDRO GY-THE RINGS (A). Progs. 1.00, 3.25, \$55, 8.25; LOVE AT FIRST BITE (AA) Sep. CLASSIC Lefcester Square 930 8815. HOT STUFF (AA). STEEL (AA). Progs. 12.10 (not Sun.), 2.05. \$40. 7.10. DEON HAYMARKET (930 2758/277)).
Jill Cayburgh in Bertoluce's LA LUNA
OO. Sep. perts. Wks. 1.45, 5.05, 8.10.

ODEON MARKEL ARCH W2 (723.201177)
ONE FLEW OVER THE CUCKOO'S NEST
CO., Sep. props. San-Fri. Drs. Open 3.15.
7.00. Sat. Drs. Open 1.00. 4.15. 7.
Evening perf. and weekends modulate
in advance. nn advance.

PRINCE CHARLES, Leit. Sq: 457, 5161.

World, Fremiere : Presentation : Michile CAMES CO See. Perls. Div. (Inc. Sail.) 12.20, 245, 5.55. 8.55 (8.28 know) Still Late Show. Nightiv 31,15, Seats Bible. Licensed Bar. SCENE 1 and 4. Left. Sq. (Wardow, St.).
439 4470.
1: TIME AFTER TIME (AA). Pros. 51.
2:36, 2:35, 5:15, 7:95, tate Show, St., and Sat. 10:40.
4: ALEM OU. Pross. 1.08, 3:36, 6:00.
8:30. Late Show Fri. and Sat. 10:55. STUDIO 1. S and 4. Oxford Circus: 437
3300. Licansed bar. Time (AA): Propr.
1: TIME AFTER TIME (AA): Propr.
12.35. Z.35. 5.20. 8.05. Late Subwy St.
3: THE DEER MUNTER OD 12.45. 105.
4: APOLAL TPS: NOW CC. Ser. Patts.
Daily 1.45. 4.50. 8.00. Late Show Dal.
1.11.0. Seats Bookable.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St. WT. 629 5175. 107th ANNUAL WATER-COLOUR EXHIBITION Until 15 February Mon.-Fol. 9.30-5.30. Moret-ustil 7. HAMILTONS, 13, Carlos Place, ur. Gree-renor Square, W1. 499, 949,554, Oil Paintings by BLINOA WRIGHT ind EVA ALDEROOK, Practous Works in gold and sliver by JOCELYN BDRTOW, 18th January 138, Open Mon-Fri. 9.30-5.50, Saturday 10,00-109. Fri. 9-30-5-30. Saturday 10.00-100. —
CRANE KALMAN. 178. Broomstin Read,
SWS. 01-584 7-566. 2005. CRNTURY
BRITISH PAINTINGS. Until 37 TARBERT,
Mon.-Fri. 10-5. Sat. 10-4.
REDFEARN GALLERY. EDICIONES POLIGRAFA-BARCELONA. Multo works by
living artists. December January. 27
Cork Street. London. William School Cork
Street. London. William School Cork
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SANDRORD GALLERY. Covent Garden.
1. Mercar Street. Long Acro. Wild.
Mon.-Sat. 71-5. Pantuales. Allowyca.

W. MBLEY. ARENA 01-902-1234. Entirely.

new grodn. of the lavish MOLIDAY ON.
ICE. Tues, to Fri. 7.45. Mat. Weda. 3:00.
Satt. 2.5 and 8. Suns, 3 and 5.30 (No perfs. Mons.). Children and Senior City.
hat price. Pay at doors: Ample parking.
hat price. Pay at doors. Ample parking.

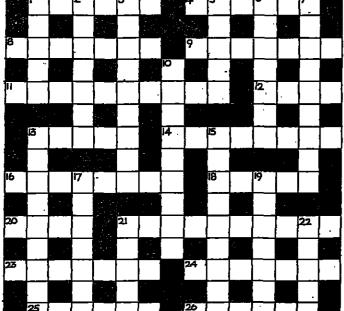
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sailors follow (6) 4 Descend from a window (6) 8 Article I sprinkle for flavour

11 Snake I put on allowance with high hopes (10) 12 Catch sight of Eastern secret agent (4)

13 Fuel emitted containing resin (5) 14 Drinking to the health of

inside (8) 16 Confusedly mingled in hand-to-hand fight (44)

it helps one to reach higher levels (4-6) 23 Entangled as wood may be

24 Decide I must be admitted 21 Sergeant Major accepts to be a god destroyer (7) 25 Summary to begin again (6)

26 Local litigation against

with names of winners next Saturday.

eastern rule (3-3)

9.25 Them and Us. 11.25 Ancestral Voices. 11.50 Regional News, Weather. All Regions as BBC1 except as

5.55-6.20 Wales Today. 6.45-7.15 Heddiw. 11.50 News and Weather Scotland-11_00-11_20 am For

News. 5.55-6.20 Reporting Scotland 11.50 News and Weather

from Belfast. 3.53 Regional News Turtle. 4.25 Jackanory. 4.40 Playman; News and Weather for Northern Ireland.

England—5:55-6:20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South To-

South East only). 6.45 A Question of Sport. 7.15 Blake's Seven.

5.40 News. 5.55 Nationwide (London and 6.20 Nationwide.

Schools, Colleges. 12.45 pm News.

1.00 Pebble Mill at One. 1.45 How

Do You Do? 2.01 For Schools,

Colleges. 3.15 Songs of Praise

for England (except London).

3.55 Play School. 4.20 Touché

house, 5.10 John Craven's News-

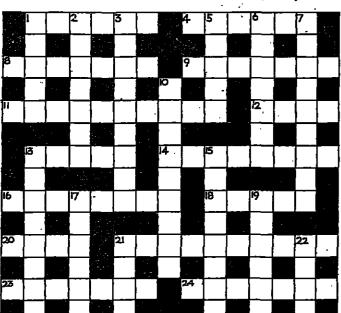
round, 5.15 Blue Peter.

Wales—1.45-2.00 pm Pili Pala. † Indicates programme in black and white 9.00 am For Schools, Colleges. 11.25 You and Me. 11.40 For

Schools, 12.15 pm It's A Great Life. 12.40-12.45 The Scottish

for Scotland. Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 Weather-

7.15 Blake's Seven. day (Southampton); Spotlight 8.10 The Lynda Carter Special. South West (Plymouth).



F.T. CROSSWORD PUZZLE No. 4.179

ACROSS fashion 1 Deprived of little time with 1 Contemporary

Chinese guild with wine 10 Produced spirits and died

18 Remit return for clock (5) 20 Uncovered duck and swan 21 Walk and run in stockings,

French grudge (7) 9 State allowance for tramp of explosive to test again 5 Get to know Shakespearean king and Pole (5) 6 Chap about

(3-6)

us (5)

2 Notwithstanding

7 Can beginner provide RADIO 2 means of access to food?

quietly within (9) Morning drink giving a startling enlightenment (3-6) (36) 15 Sick with external bloodvessel from gun-fire (9) Arranged insult about first

of chemists making medicine

weapon and clothing (7)

DOWN

19 Detectives coming up with food outside for examination (7) meal to cook (5) 22 Finish with Warrant Officer

turning up to enrich with

RADIO 3

10.06 Money Box. 10.30 Daily Service.

1.55 sm Weether. 7.00 News. 7.05

10.45 The Weeden Horse by Eric Overtura (S). 8.00 News. 8.05 Morn-Williams. 11.00 News. 11.06 Offsbore The solution of last Saturday's prize puzzle will be published

All IBA Regions as London except at the following times: t Figures.
ting with Young 1.25 pm Anglia News. 2.00 Monday
le. Film Matineer "Soldier in the Right"
School (28 BBC1 starring Stave McQuesn. 3.45 Food.
Wine and Friends. 5.15 University
Chillenge 6.00 About Anglia 10 31

Cross Question. 11.00 The New Avengers. 12.00 The Human Face of Chine 12.30 am Reflection. ATV

A I V
1.20 pm ATV Newsdesk. 2.00
Rendezvous with Romance: "Stolen Hours" starring Susan Hayward. 3.45
Food, Wine and Friends. 5.15 The Mighty Micro. 8.00 ATV Today. 10.30
Left. Right and Centre. 11.00 ATV Newsdesk. 11.05 Barney Miller. 11.35
Beyond the Moon? 12.05 Something Different.

BORDER
1.20 pm Border News. 2.30 Monday
Matinee: "Blithe Spirit" starring Rex
Herrison. 5.15 University Challenge.
8.00 Lookaround Monday. 6.15 Cooking
with Tovey, 10.30 Monday Movietime:
"Age of Consent" starring James
Mason. 12.15 am Border News
Summary.

CHANNEL 1.20 pm Channel Lunchtime News and What's On Where and weather. 2.00 The Monday Matines: "The Purple Plain." 3.45 Food, Wine and Friends. 5.15 University Challenge. 6.90 Channel News. 6.10 The Lone Ranger. 10.28 The Love Boat. 12.00 News and weather in French.

GRAMPIAN 9.20 am First Thing. 1.20 pm North News Headlines. 12.30 Mondey Mattnes: "Mr. Perrin and Mr. Traill." 5.15 Top Clob. 6.00 North Tonight and

weather forecast. 10.30 Reflect. 10.35 The Monday Movie: Illitt" starring Steve McQueen. 10.35 The Might Headlines. GRANADA 1.20 pm Granda Reports. 12.00
Monday Matines: Robert Donat and
Deborah Kerr in "Vacetion from
Marriage." 3.45 Food. Wins and
Friends. 5.10 This is Your Right. 5.75
Crossroads. 6.00 Granda Reports.
6.30 Bernle. 10.30 Reports Politics.
11.00 Mystery Movie and Imagination:
Richard Crenna in "Nightmare."

HTV 1.20 pm Report West Headlines. 2.00
Here Today. 2.30 The Monday Matines:
"The October Man starring John
Mills. 5.75 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 10.35 Food.
Wine and Friends. 11.05 Sosp. 11.35
Twist in the Tale.
HTV Cymru/Walse—As HTV General

12.50 am Close: Christian Unity Week with Rev. Alec-Gilmore. Radio Wavelengths

starring Gregory Peck, Omar Sharif and

> BBC Radio London: 1458kHz, 206m & 94.9vhf Capital Radio: 1548kHz, 194m & 95.8vhf London Broadcasting: 1151kHz, 261m & 97.3vhf

> > RADIO 4

(S) Storeophonic broadcast
#Medium Wave
5.00 am As Radio 2. 5.00 Dave Lee
Travis. 9.00 Simon Bates. 11.31 Peul
Burnett. 2.00 pm Andy Peables. 4.31
Kid Jensen. 7.00 Stayin' Alive. 8.00
Mike Read. 9.50 Newsbeat. 10.00
John Peel (S). 12.00-5.00 am As Radio
2.

RADIO 2

5.0 am News Summary. 5.03 Steve Jones (S) including 5.15 Pause for Thought. 7.32 Ferry Wogen (S) Including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.03 Favourine Five Singles. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stawart's Request Show (S). 4.03 Much Mora Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (continued) (S). 6.03 John Dunn (S). 8.02 The Organist Entertains (S). 8.00 Folk 80 presents Roger Whittaker in concert (S). 9.02 Humphray Lyttelton with the Best of Jazz (S). 9.55 Sports Desk. 10.02 The Law Geme. 10.30 Star Sound. 11.02 Briss Matthew with The Late Show, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S) with Nick Jackson, including 4.02 Cricket: Benson and Hedges Cup (report).

ing Concert (S). 9.00 News. 9.06 This Wask's Composer: Malcolm Arnold (S): 10.00 Mozert and Busoni: Violin and plano recital (S). 10.45 Scarlatt harpalchord recital (S). 11.10 BBC Scottish Symphony Orchestra concert, part 1 (S). 12.05 pm·Interval Reading. 12.15 Concert, part 2 1.00 News. 1.06 BBC Lunchtime Concert (S). 2.00 Music for Organ (S). 2.35 Matines Musicale (S). 3.36 New Records (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Schumann on record (1937). 7.15 The Man in the Middle: Hermann Elits. 8.00 Pritcherd and the BBC S0 concert, part 1: Mexical Device (S). 3.40 Latter from New York by Nicholas 8.40 Letter from New York by Nicholes Kenyon. 9.90 Pritchard and the BBC Songart 22 Mozart (S). 10.10 The Boggarwoman of Locarno (story by Kleisr). 10.15 Chamber Music from Berlin, part 1: Schoenberg, Berlin (S), 10.50 Interval Reading, 11.00 Concert, part 2: Mozart, 11.55-12.00 News.

8.00 am News Briefing. 8.10 Farming Week. 8.25 Shipping forecast. 6.30 Today, including 8.45 Prayer for the Day. 7.00. 8.00 Today's News. 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 The Week on 4. 8.45 Miles Kington with the BBC Sound Archives. 9.90 News. 9.05 Start tha Week with Richard Baker. 10.00 News.

BBC Radio London

London Broadcasting 6.0 am AM with Bot Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm Holiday Special with Grag Strangs. 9.00 Jenny Lacey—Nightline. 12.00 LBC Reports Midnight. 1.00 am Tara Jeffaries—Night Extra. 4.00 LBC Repeats. 5.00 Morning Music.

DRURY LANE CC S. 01-535 5108.
Evgs. 8.00. Mats. Wed. 3.00. Set. 5.30
& 8.30. CAROL CHANNING IN HELLO
DOLLYI Setts £2.£8. GROUP BOOK-INGS 01-734 2293. Special prices
sudents & CAPS (Wed. Mat. all Seats
£2.50. OAPS & Students). TRANSFERS
TO SHAFTESBURY FEB. 200. DUCHESS. 01-836 8243. Mon. to Thurs. Eves. 8.00. Fri. and Set. 5.30 and 8.15. OH! CALCUITA! PORTUNE THEATRE, S. CC, 01-836 2238 Eys. 8.00. Fri. and Sat. 5.30 and 8.30. KENNETH WILLIAMS IN THE UNDER. TAKENG GARRICK. CC. 01-836 4601. Evs. 5.00. (sharp). Fri. and Sat. 5.30 and 8.30. Garath Hunt is DEATHTRAP.

GREENWICH THEATRE CC. 858 7755.
Preview Wed 8.0. Opens Thur 7.0. Subs
8.0. Max Sats 2.30. LIBERTY HALL. A
new play by Michael Frayn. HAYMARKET, CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sal. 4.30 and 8.00. Gerald Harper. Kate-O'Mara in the Sheriock Holdes Mystery THE CRUCIFER OF BLOOD by Paul Glovanni.

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THE ARTS

Wigmore Hall

Souzay

by DAVID MURRAY

Accompanied as always by Daiton Baldwin, Gérard Souzay speared on Saturday to sing sturdy dance sounded too close for mystery. to contribute the 1919 Mirages io the Wigmore Faure series. Mirages and L'horizon chime-Minages and L'horizon chime-rique (1921) were Fauré's last and shortest cycles, with only four songs in each; Mirages is decidedly the gentlest of all the of the words. region, the voice never raised beyond the comfortable, reflective level of Baronne de Brimont's texts. Almost without climaxes, the life of the songs is all subterranean or perhaps sub-aqueous, a matter of beyond a few gestures, the songs beneath the serene vocal line. But narrated with perfect sympathy—grave understanding. of concealed control that makes

it a considerable test at the beginning of a recital.
Souzay's control proved
happily to be as sovereign and is as apparently easy as ever, his Transe of baritone colour as another and affecting. Less wide, weight and accupulous shaping perhaps—he took top notes I admired Baldwin's playing cautiously (but truly) and the very much: for some time one below penetrating lightness was aware of his reluctance to produce anything much like for of forthright, balanced tone for planissimo (Schubert calls for the whole of the programme, it very often here), but the hard Mirages was not allusive, but clarity of his reading senti-gracefully candid, with Baldwin ment kept severely at bay— aiming more at lucid exposition eventually left a deep impresthan atmosphere. In the first sion of the noble power of the three of these nocturnal songs writing stripped of easy graces. was entirely sufficient, only in the miraculous of the fine contribution this "Dansense," which conjures partnership has made to the art

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THEATRES

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commentary, did that dire for mystery, Every vocal phrase in the cycle was, however, placed with a musical assurance that allowed the disguised sinews of the music to be effectively felt, without betraying the civilised languor The performance of Winter-

reise was in its way quite masterly, and its way was not one that narrowed the tragic range of the cycle. Souzay did nothing like impersonation; sympathy—grave understanding, mature simplicity, despair with-out tears; if that is a specifically Gallic way of approaching Sechubert, it was moving as a more immediately dramatic one may be. Every point was made through the music, by judicious it very often here), but the hard eventually left a deep impres-The cycle reminded one again comething breathless and erotic of Lieder re-creation, and it was from the merest ticking-over in memorably beautiful in its own he piano part and a husbed right.

Welsh/Vignoles

Again and again virtuoso re- artistry of the players could citals succumb to the fallacy not have been paid a more that technique can best be dis- worthwhile tribute. played by indifferent music; audiences are numbed into minor Sonata by the 19-year-old estimating performance in the Richard Strauss—an essay not athletic rather than the musical only precocious but, in its blend ignse—as if virtuosity were of earthy vulgarity and beguilsomething added to a piece and ing technical wizardry, prophetic not demanded by its inner eventually rebounded on not demanded by its inner nature. In Friday's concert, the Variations Concertantes op. 17 by Mendelssohn afforded an excellent opportunity to admire Sonata, managing to be both young cellist Moray Welsh's frozen and sentimental. Welsh thrilling discrimination of and Vignoles offered a most attacks, the precise and swelling tuttis of his accompanist, mocked, because the music's Roger Vignoies, and the luciof ensemble shared between them but in a manner minor Sonata of Brahms to

which the programme was specific musical points—when shaped only helped add to an paradoxically we notice it least. impression of great talent—the composer's as well as the minor keys, but its three conexecutants—pouring entirely to cise movements are nonetheless waste, and in the process pre-three distinct expressions of cluding serious comment. Etude power and mood, and require de Fleurs, a naif arabesque for corresponding versatility from cello and piano in an idiom sugther players. Their finesse was geting diluted. Faure, and truly vindicated in the geting diluted. Faure, and truly vindicated in the Noell From this rich pasture skilful as the stoical adulterer liberian Notebook, a holiday enchanting cross-phrasing of of mistaken impulse and trivial and contributes fully to Rollo's diary for unaccompanied cello, the Allegro non troppo, the are odd specimens of light sinuous interweaving of parts silly play and a wonderful operation evening dress. They in the Trio, and the gleams of portunity for Mr. McKern. eannot be taken as more, and reluctant humour injected into David Thompson's production support, too, from Clare Higgins to too often leaves us to inspect a si the daughter and Anthony indeed make no pretensions, the impetuous finale. But it is a pity that the brilliant PAL

Even the very substantial F them. Its slow movement comes across as a parody of Beethoven's in his Pathetique depth is quite spurious.

If was left to the great E

totally disengaged.

prove that we respond to totally disengaged.

Unfortunately, the two works bravura technique most vividly by Michael Berkeley around when it is used to make which the programme was specific musical points—when the programme was specific musical points—when This work rarely strays from

London Choral Society

Smoon Rattle has taken over with results not always distintitle that have led to the neglect Alexander Nevsky, though the conductorship of the London guishable from under-rehearsal, of a minor but delightful, understandably popular, is show-though Society, with Nicholas With the RPO responding as they

Elizabeth

admirable



Leo McKern

Royal Exchange, Manchester

by MICHAEL COVENEY

Leo McKern first played the versing in an impenetrable plays, but no wonder Mr. McKern retains an obvious have Mr. McKern stamping and affection for the role of Leon gurgling his way through an Rollo "old potato-face" (the French title is Patate, which has an obscene double meaning

Leon, like all the best farce characters, is in the grip of an obsession. Since school days, he has hated his palindromic rival Noel. Noel always left him the fat girl in playground romances and has since married his former beloved, Veronique, a millionairess with money in Brazil. To complicate matters, Leon is an absurd inventor of useless games kept affoat by his

along the lines of sexual limp-

rival's lucky wealth. His own wife, Edith, ignored for many years, is rightly played by a beautiful actress. Barbara Shelley. They have adopted the abandoned daughter of a murdered whore. And the daughter has been having an affair with

rewarding work?

Szymanowski, restrained, and

"inward" but strongly built in

a way, that makes the smoulder-

ing climax of the fifth section

doubly impressive, entirely

avoiding the loping rhythms

into which the poetic metre

betrays some composers, was

given a beautifully sensitive

White scarcely less so except

that the composer possibly had

Felicity Lott and

Connell were soloists, Willard

title role in this Parisian boule-circle — for a full ten minutes vard farce by Marcel Achard in I inspected Miss Shelley's 1959. The previous year he had posture before she fainted in played Big Daddy in Cat on a an early scene with her husband Hot Tin Roof; the next, he was and the soignée Véronique to create the role of the (played in flowing '20s style by Common Man in A Man for All Anne Rogers who, incidentally, Seasons. This piece is osten- sets the design temperature sibly slighter than those two with two gorgeous costumes). But, at the centre, we do

gurgling his way through an incomparable performance. At one point he brings down the house by flopping onto a chair that collapses before resuming his needling inquisitions. Forever pulling himself up short in the face of his own absurd behaviour, he nonetheless discovers the identity of his daughter's affection only to let his own machinations run ahead of him and nearly ruin the plot.

It is an irresistible display of inspired and varied ingenuity. I shall particularly relish the scene where he leaps out of the dark to garnish his predominant impression of a baited bull with panache of a favourite toreador. Jack Hedley as Noel can only gasp in surprise and admiration at this double image of victim and predator.

Mr. Hedley is supremely PAUL DRIVER group of static characters con- Wingate as an unruffled butler.

a performance that resolutely

refused crudity or over-emphasis

the "Battle on the ice" stood up well, likewise the lament for

mezzo, finely sung by Miss Con-

nell, and the short and punchy

rejoicings of the fourth number.

Otherwise, shorn of the visual

impact of Eisentstein's film, the

patriotic music and the musical

depiction of the Teutonic Knights outstay their welcome.

But even in the cantata's beefier

moments the choir's intelligence

and refinement made up for

sheer weight.

Covent Garden

Mayerling

by CLEMENT CRISP

The latest performances of portrayal on the next night, Mayerling at the week's end which seemed an exercise in brought several changes of cast: Stephen Jefferies as Rudolf with Alfreda Thorogood as Mary, Jennifer Penney as Larisch, and Sandra Couley as Elizabeth on Thursday; Merle Park's début as Mary to David Wall's Rudolf, with Conley as Larisch and Monica Mason (the bright Mitzi of the previous night) as the Empress Elizabeth on Friday. That all these interpretations

were so well-reasoned, so dramatically vivid, and so different, is tribute to the Royal Ballet as an ensemble of dance actors, and to the richness of Mayerling as a portrait of a society. Is it the fact that these characters are all real, their dilemmas immediately comprehensible, that inspires performances of much vitality? With such red meat—bleu rather than saignant—to get their interpretative teeth into, the Royal artists extract maximum nourishment from their roles; there is not one corroding, dainty fairytale mannerism in sight. Stephen Jefferies is a player

whose art seems spontaneous, natural, able to express and convey to us the least flicker of emotion. On Thursday his Rudolf opened on too tense a note; unsmiling, angry, there was little of the light and shade of feeling with which Wall taries the texture of the character. But after the inter-view with his mother, and throughout the second and third acts. Jefferies was on his best form. A leaden pallor, dance torn from him by neurosis-and immense distress of spirit conveyed during the motionless moment when Katherina Schratt sings, which is the eye of Rudolf's storm — were the superb outward signs of his inner sympathy with the role.

He was in every way matched by Alfreda Thorogood's Mary. Thorogood is the purest, loveliest classic dancer in the Royal Ballet; she gave Mary's dances a clarity of expression which exposed their essential academism, and she brought to them a bold sensual drive which told everything of the girl's character. The combination of technical propriety and sexual abandon was complete justification for personality. Jennifer Penney's portrait of Larisch was also that of a woman physically in love with Rudolf. Unlike

Merie Park's grand creation. which shows how sensitively Sandra Conley's fine, grasping acting which is entirely perfect.

Festival Hall

London Schools Symphony Orchestra

listener sensible at every moment of the continued Overture) (Schelomo), and Chaikovsky (Little Russian Symphony) could sense, none the less, an overall level of attainment noticeably lower than in concerts of the recent past under Simon Rattle and Andrew Davis. The latest accession to the LSSO was Myung-Whun Chung, still more familiar in these parts as a young virtuoso pianist of bright gifts; about his orchestral direction, though, there were pleasing features. nice details, moments of colour and delicacy in all three works; the overall impression was one of incomplete control of forces. In the Overture, the light mass of violins relative to other sections required in turn that

RONALD CRICHTON brass and percussion be more

A slightly disappointing con-resolutely tamed; the "big cert yesterday's, by the ILEA tune" emerged somewhat less London Schools orchestra. A than rousingly, camouflaged rather than decked in a welter achievement to be reckoned in of crash and jingle. Internal these performances of Wagner balances were persistently faulty in the futti of the Block Hebraic Rhapsody; bombast. always a danger in a work of enthusiastically form, was kept in check only by the tact of the cello soloist, Mr. Chung's sister Myung-Wha -the tone was not large, and not always clearly projected, but her phrasing was both poetic and discriminating. Was this year's programme too ambitiously chosen? From the number of solos nervously taken in the Chaikovsky symphony, music particularly rich in grateful solos, it seemed so,

though the Finale at last

gathered some of the force and

excitement awaited earlier. MAX LOPPERT

Fears and Miseries of the Third Reich

by MICHAEL COVENEY

and short plays, written 1935abuse of power thrives not only in the community that is being violated but also among the administrative and professional classes whose support is neces-sary to inflict the damage. In the fleet-footed and scathing manner of his approach, Brecht

for an SA man to trundle por-

tentously acros the stage

generally equal to the double-

edged humour of the show and

is particularly good at encourag-

ing emotional turmoil where

appropriate, it does trundle a

is all white, with three large

billiard tables upstage around

unemployed

members of the cast lounge to

the accompaniment of an end-

less, though muted, bandstand

theatre, the physical presenta-

tion is rarely ignited by the

A notable exception is pro-

vided in the staging of one of

the most famous short plays,

logue of the consultant's lady

folding her underwear and say-

ing goodbye to her friends by

single actor casually knocks the

balls around before sliding into

focus as the consultant himself.

Alan Rickman, another invalu-

able recruit, is the consultant,

convinced that "this inflamma-

The Jewish Wife. The mono-

actors' work.

Havergal's production

sharp, worried glance towards was never better as a satirist. Two prisoners in stripped suits Rudolf at the start of the closet scene suggested how much she whisper under surveillance. They are bakers. One has been dreaded his demands-and of emotional release only possible charged with putting bran in with "Bay" Middleton. the bread; the other with not putting bran in the bread.
The slightness and quickness Park's impersonation of Mary of that sketch is a little spoiled by the actors having to wait

on Friday was, naturally, distin-guished. Light in statement, Mary's felings seemed to flare briefly, so that the suicide scene was played on a note of resignation to a fate she has sought. From David Wall on this occasion a Rudolf marked by great weariness of spirit: there is extreme pathos in the first act when encircled by the Hungarian separatists, escapes from their arms and gazes out at us, desperate for peace of mind. Wall here, as so often throughout the ballet, is

power-seeking, Penney's portrait was a frank avowal of Larisch's

continuing need for Rudolf's love. And it was mature, admir-

Conley's intelligent view of

the Empress was one of feeling

held in check: Monica Mason's

on Friday was of apprehension when faced with her son-

uniquely good. About the production itself am happy to report that the vexed snow-scene has been much improved by re-lighting, by pruning of dances, and by suppression of the snowballing. I am less inclined than some to call for its excision; it remains a mysterious, allusive passage in which the dramatic threads that animate poor puppet Rudolf are tugged for the last time-not least the Empress's suspicions about Larisch. Were cuts to be made,

I would only welcome some deletion of the whores' capers in the tavern.

Two black marks must be noted: the first concerns a tendency among certain artists to mouth conversation as an aid to their playing, which is a denial of everything dramatic dancing is supposed to do. The second is for the stage management which, on Thursday night, blocked the doors of the tavern, and then failed to drop a gauze, so that Mary was buried in a snow storm in the bedroom at Mayerling, and on Friday pro-"pop" for Rudolf's gun in the snow secene. Otherwise, much praise for the ensemble, with an especial gratitude to Graham Larisch understands the Fletcher as Bratisch, a charac-Prince's emotional needs, or terisation of bravura dance and

Glasgow Citizens

Brecht's collection of sketches the sketches are packed with

images of people either on the 1938, remains one of the best run or frozen in fear. Miss documents we have of how the Gonord relates that mood to the actual detail of shutting up domestic and emotional shop with tingling accuracy. The other textual revelation

for me was the scene where a judge—played by Mr Rickman wrestles with his professional conscience when faced with a brief that frames a Jewish smashed up by Nazi thugs. Layers of authoritarian corrupare laid bare with merciless economy and real glee. When a Marxist colleague of the jeweller, accused subversive rabble-rousing, is revealed to be dumb, the judge is driven to declare, in exasperation, that you don't need a voice to shout insults.

between lines. Although Giles Elsewhere, we see scientists excited by a discovery but re-luctant to let Einstein's name drop from their lips; a priest unable to comfort a dying man anxious to be told that his bit. Sue Blane's stage design faith means anything: a teacher and his wife tying themselves into knots of panic when their son goes out, not to attend a Hitler Youth meeting, but to buy a bag of sweets; a doctor refusing to comment on the cacophany. Unusually for this "occupational" disease of a patient wheeled in from a labour camp.

The evening accumulates as an impressive set of variations on the "Walls have Ears" main theme, and Paul Kriwaczek's and often very funny. There is a marvellous short speech for telephone is superbly delivered by an actress new to the com-pany, Zoe Gonord. Upstage, a an author frustrated at not being honoured by having his books burned: he is outraged at being treated like a liar. The performers mentioned supply the acting highlights, but there is good gruff work by Patrick Hannaway and versatile support from Fidelis Morgan and tion" will soon die down. All Steven Dartnell.



Jim Hooper (standing) and Joss Trout

one conducted by Mr. Rattle too much in favour of the with exceptional sympathy, skill orchestra (the scoring is sump-

Prokofiev's Alexander Nevsky-

Festival Hall

interpreters today with the unimportant-sounding tone of the Jamaican bass.

Nothing forced, nothing done

BY PETER ROBBINS

Choral Society, with Nicholas With the RPO responding as they

Cleobury as chorus director, do to such guidance as Mr.

Saturday night's concert with Rattle gave them, this was very the Royal Philharmonic Orchestra reached an excellent choral concert in which the

maninov's Three Russian Songs, largely and mercifully covered

Szymanowski's Stabat Mater, with a blanket of vocal tone.

from the inter-war period, each the balance was tilted almost

Three works-Rekh- orchestra was an "also ran"

RUGBY UNION Pack wins the day for England

In the Rakhmaninov Songs

tuous both in detail and in

general effect) yet all that was needed was a clearer edge on

merely for effect, yet none of the chorus words. Is it the intriin mind a harsher, more penethe improvisatory quality sought cate orchestral writing coupled trating sound than the noble

ENGLAND MADE the best outplayed in every phase of the Keane, Glennon and Duggan en ning which was closely imitated BRIGHTON AND HOVE Albion, one common denominator of the hearted if somewhat unsophistic Saturday. As they were humipossible start to their season by game. The selection of Blake bloc to the middle of the line by Carleton. It was not pretty which had suffered only one three promoted sides lay in cated Armstrong and Taylor, liated in front of their own similaring Ireland 24—9 at way was inspired. Although Orr, out to counter Beaumont and stuff but it was not a day for defeat in 11 consecutive matches having above-average youthful, who was pressed into service supporters in the League and Twickenham on Saturday. Con- the Irish loose head, is Horton. It had little effect and frills as England's forthright and had consequently climbed ambitious managers — Mullery. as a late replacement after a dismissed from the League Cup annihilating Ireland 24—9 at way was inspired. Akhough Orr, out to counter Beaumont and stuff but it was not a day for Twickenham on Saturday. Conthe Irish loose head, is Horton. It had little effect and frills as England's forthright sidering they scored only 52 extremely experienced, Blake- Wheeler's accurate throwing was points in their four matches last way was able to get underneath a great boost for England. Beauty are it was most encouraging him and place the cornerstone mont caught well, as did Horton, However, there is sterner stuff of England's success. to face in the near future.

Ireland so optimistic after their Australian successes, have a lot of-repair work to do and with the game being played at such a pace some of their forwards looked a little short of ferees.

Or England's front row was England's front row was magnificent and provided a splendid platform for Horton and Beaumont who both generated a tremendous shove particularly in the later stages the same. That shows beat looked a little short of fitness. It is easy to say that Eng-land's pack won the day and in the scrum and when Ireland so they did. But there was much heeled it also prevented Duggan more to the match than just from picking up cleanly. It was that. There were several early crises to be faced, notably the three penalty goals that Campbell casually put over following in the opening quarter Hare's first penalty for England. The control at the scrum convergence of the down after a quarter of the more options, and when they make the scrum of the more options, and when they match was really quite absurd. were leading 18-9, Beaumont With the backs losing possession in the tackle so fecklessly kept things tight. There was not and Ireland kicking them back,

the whole team effort might have Scott at No. 8 and Smith, Scott fallen apart. It didn't and it says appearing to be too keen to go a lot for the spirit of the team on his own. But it did serve that the players stuck to indi-the purpose of pressurising revert to his normal running 15—9 lead at half-time. That large number of quality young vidual and collective tasks with Ireland at their weakest point. I cannot recall seeing the for his hard work.

Irish pack so comprehensively

of the game. That shove kept Slattery and O'Driscoll attached particularly important to sustain that pressure because Fitzgerald

wisely changed the tactics and always perfect harmony between Scot's final try was a just reward

when it really mattered. I have been critical of Horton in the past but he had a fine game and

lasted the pace well. England's rucking was also much better mainly because Neary (in supreme form) and Uttley set the ball up so well. They showed a remarkable empathy with Smith but it was

Smith, not surprisingly, had his best game for England so far. His defensive kicking in the second half was a great uplift offers to his pack. His pass is still not pack: quite quick enough but I was glad to see him take on the Irish back row to add variety to

kicking from fly-half after the beautifully placed diagonal kick play consistently above themfirst dangerous 20 minutes- and his increased confidence to gave England an important game-were also key factors.

frills as England's forthright tackling indicated. What I did enjoy was the obvious thought that had gone into the game with Slemen, for example, being used in defence in the 22.

One has the impression that there is much more to Campbell's game than just accurate kicking. He made one dazzling break and in the second half, surface. The manner, and the when Ireland were obliged to run the ball from anywhere, he passed quickly and economically Beaumopt who set the standards to McKibbin and Burns, a re-of application and endeavour. placement for the injured teams.

Ireland's threequarters looked very nippy but couldn't possibly live off the scraps of possession offered by their subservient ing themselves. Last season, pack:
when along with Crystal Palace O'Brien, the new fullback,

England's game. serious. His major major. The improvement of Horton's was not to deal with Smith's heartifully placed diagonal kick which led to Slemen's try that selves. lead was never really seriously players, the product of Palace's Before his tragic injury, Bond threatened in the second half successful youth team, nor the In desperation, Ireland moved bution with his powerful run- ance of the England pack.

SOCCER BY TREVOR BAILEY

Spurs teach Brighton a lesson

off the bottom place in the Venables and Durban. table, were brought sharply back to the realities of First able for Brighton to be srug-Division life by Tottenham gling at the start of the season Hotspur on Saturday. The and firmly anchored at the Londoners not only beat them foot of the table. The real sur-20 at the Goldstone ground, but in the process handed out a footballing lesson on a tricky completeness of their victory made a nonsense of the fact that before the kick-off a mere

ence of life with the elite, and it was inevitable that they would have problems establishand Stoke, they gained promomade very few errors but those tion with no more than a com-he did make were extremely petent Second Division team

This is Albion's first experi-

the club from the Potteries. The lead forwards—the

prise is their recent revival which Alan Mullery has Alan Mullery has effected with the players at his disposal for some of them are not of true First Division calibre. This weakness was highlighted against Spurs, especially in the first half when with better finishing the visitors could have scored at least two more goals without

Villa and the dainty Ardiles. This pair, with the support of spirit and allowed them to of the elegeant Hoddle and the eminently practical, professional Yorath form what is just But they did not have the about the most inventive and exciting attacking half-back foursome in the land. They

least two more goals without being flattered. After the match Mullery warmly praised the Londoners for their skill, and in particular for the work of their two world class Argentinians, the powerful

It was entirely understand- was not completely match fit form, lose. -with numerous chances.

> tightly marked by the impressive Miller and the dependable Perryman, must have wished he had been playing for the opposition, as there was at the very least a hat trick for the taking.

> One of the main reasons for the effectiveness of this Spurs midfield quartet is that they are such a beautifully balanced unit, with the strength of Villa in possession, the bite and character of Yorath, the vision and craft of Ardiles and the control and positional sense of Hoddle. Against Brighton, their balance was not only complementary but also physical because on Saturday's tricky pitch they kept their feet and brought the ball under control far better than their opposite numbers.

Will Brighton achieve their main objective, survival? Much, dominated the middle of the rather strangely, could depend

as a late replacement after a dismissed from the League Cup long lay-off through injury and by the Gunners they should on However, if they did win

Ward, the Brighton striker, through to the next round, it shily marked by the impres- would provide a great boost to top of their experiences against Spurs and the unpleasant pros-Ipswich could easily cause that drop in confidence or belief in themselves which so often provides the difference between sur vival and relegation.

I hope they succeed for the Albion are a friendly, well-administered club, who have had to wait a long time to reach the top. Inevitably, they have made some mistakes.

It would be true to say, and nobody can be more aware of the situation than Alan Mullery, an essentially intelligent and honest individual, that they will have to acquire some new blood if they are to make a real impact for it will be several years before their youth team pays a

In the meantime, Clarke and had made a considerable contri- thanks to the superb perform- experience and the tradition of park and provided their two on their clash with Arsenal in Ward have blended well to form whole the FA Cup at Highbury next an above average strike force.

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Monday January 21 1980

Peace at risk in the Balkans

shown an unhappy lack of happening. unity over its reaction to the Soviet invasion of Afghanistan. Some countries seem to take the view that Afghanistan is "a far away country" whose fate should not be allowed to jeopardise the political and economic gains of detente in Europe. Now, however, the future of Yugoslavia has raised fresh questions about East-West relations-and this time there can be no illusions. Yugoslavia's future has direct relevance to the peace of

Yugoslavia lies in the heart of the Balkans, and the Balkans have been a powder keg too often for Europeans to underestimate the strategic, economic and political importance of this

·· ma

An economically developing. militarily secure and politically independent Yugoslavia has been a major factor for security in this fractious region for over three decades. Yugoslavs themselves have been the main beneficiaries. They have been able to patch up the ravages of a bitter guerilla war and civil war. They have shown the world that a multi-ethnic society can work and that communism does not automatically and inevitably lead to state monopoly capitalism brutal oppression.

The future of Yugoslavia is, of course primarily a question for the Yugoslavs themselves For over 30 io. decide. years since their expulsion from the Cominform in 1948 the Yugoslav leadership and peoples have made crystal clear their determination to run their own affairs in their own way. Their experience of non-alignment has convinced them that the best path for Yugoslavia and the world at large is for Yugoslavia to remain independent of both the power blocs.

Yugoslavs are well aware that the best guarantee of their continuing independence lies in maintaining their own internal unity and cohesion. History is power rivalry. full of examples of countries becoming prey to outside interference as the result of internal in the Soviet decision to invade Afghanistan while the intervenemerging in Yugoslavia holds national independence. is a situation which only the peace and stability.

has Yugoslavs can prevent from

That said, however, there are several things that the West can do to help Yugoslavia help itself. One is for the Common Market to finalise the long delayed five year special agree ment on terms which would allow Yugoslav goods improved access to West European markets and financial help for much needed infrastructure projects decision on this could be taken next month, as was implicitly promised last week.

The West should also make clear that it is prepared to continue supplying Yugoslavia with the kind of military equipment it requires for self-defence. while resisting any temptation to seek bases of any kind. Thirdly, the Soviet Union should be left in no doubt at all that any Soviet attacks on Yugoslav integrity or independence would be seen by the West as a whole as an unwarranted breach of the whole framework of post-war relations agreed at Yalta and as such, an attack on peace in Europe which would be resisted.

But the future of Yugoslavia will not be determined by events in that country alone Neighbouring Albania also has an ageing leader in Enver Hoxha, the iconoclastic leader of a country which now has no great power allies and is looking around for new trading partners. It too should not be made the object of future great power rivalries. Greater efforts should also be made to resolve the dangerous hostility between Greece and Turkey and the Cyprus question.
At present NATO has detected

no indications of any Soviet military movements in the Balkan area. This is a welcome sign. If the Soviet Union is indeed still interested in a meaningful policy of detente in Europe it could have no better means of demonstrating it than by joining with Western Europe in an East-West understanding to keep the Balkans out of great

This would have to include restraining Bulgaria from raising the Macedonia question, strife. To quote just two hitherto an accurate barometer recent examples, internal fac- of Soviet-Yugoslav relations, and tional squabbles played a part resisting any temptation to Soviet troops move Romania. Romania, tion of its Cuban proxy on the Yugoslavia, is a formal member side of the MPLA tipped the of both Comecon and the War-balance in Angola. The pros- saw Pact. But it, too, has pect of similar opportunities expressed its desire for greater out the greatest long term threat desire has to be respected if the to Yugoslav independence. It Balkans is to remain an area of

Reasserting the rules for steel

leaders of the steel industry unions on Saturday was at first sight entirely unproductive. Sir Keith Joseph repeated his now familiar insistence that between the unions and the taxpayers could not be expected to provide any further subsidy for steel industry wages, but the main strike leader, Mr. Bill Sirs, continued afterwards to demand that money already provided for investment and closure expenses should be diverted to wages. Such a distribution of the seed corn could only do further damage to British Steel's already very questionable future.

Basic facts

It may be wondered, in such circumstances, whether it was not a mistake to meet at all; but the Government, which has laid down the ground rules under which the management must negotiate, has both a wish and a duty to see that those rules are clearly understood. It is to be hoped that Sir Keith and Mr. James Prior did succeed in making certain basic facts clear. The first is that the Government is not and does not fintend to be involved in the wage negotiations. That does not merely mean that it refuses to finance an uneconomic settle-ment, but that it does not have any view on the size of a self-

financing settlement. The second and more possibly ambiguous point is the nature of the cash limit which the Government has imposed. Mr. Sirs must surely understand that the cash which is already on offer is intended to finance certain measures to improve BSC's efficiency, even if he conposals of this kind, which might no bluff.

THE meeting on Saturday enable British Steel to pay between Ministers and the higher wages out of improved

efficiency. Unfortunately this possibility has not even been explored at present, because negotiations employers broke down over the preliminary question of the conditions attached to the basic national offer. : Yet until the two sides are engaged in constructive exploration, there can be no productive proposal to submit to the Government. This is the point evidently appreciated by the Advisory Concilia-tion and Arbitration Service, whose efforts have been concentrated simply on getting talk's re-started. Unfortunately both sides are still trying to discover their adversary's strength -the unions to see if they can cause enough national disruption to drag the Government into the negotiations against its principles, and the employers to test the depth and breadth of the whole trade union move ment's support for the strike.

Inefficiency

The nature of this trial of strength has always made an early settlement of the steel dispute unlikely, and it may take not one but several meet ings to convince the union side that the Government is prepared to run large risks to end the open-ended subsidies which have luiled steel and other industries into such disastrous inefficiency.
As the fundamental nature of

the deadlock becames clearer, it is possible that the Government might be able to sound a little more encouraging about the possibility of helping the indus-try towards the kind of efficiency which would make an acceptable tinues to wish to divert some settlement on wages economicof it to other purposes. How-ever, one way in which the scale meanwhile, should reflect on the of a self-financed pay offer Government's resolve, on the could be raised is by supple fact that the support they have mentary measures to raise pro- so far mustered outside the ductivity, by means of redun- industry is not uniformly imdancies or productive spending pressive, and on the fact that beyond the programme already strike disruption has in the past proposed. There appears to be done far less damage to the nothing in the principles which economy than alarmists have the Government has laid down feared. The Government underto rule out new investment pro- stands this, and its firmness is

Whitehall on the head-hunting trail for board chairmen

By JOHN ELLIOTT, Industrial Editor

Admiral Sir Anthony Griffin

Lord Aldington

Sir Charles Villiers

Sir Michael Edwardes

Sir John Hill

"Selecies fixed according to the Government's Top Salaries" Review Body rec at Chloride before being seconded to BL in 1977.

ber of the National Enterprise

At some stage a little known

good" called the Central List,

which is run by the Public Appointments Unit of the Civil

Service Department will be con-

sulted. There are 3,500 people

on this list, which is used for all

sorts of Government appoint-

ments; but it rarely produces an

industry chairman because it is

too generalised. As with lists

kept informally by individual departments, the Appointments

Unit has names submitted from

a number of sources, and some

people who nominate them-

So there is no formal system

covering all departments and it

is up to each ministry to

develop its own methods, subject

to the Treasury and Prime

Minister's office vetting the most

senior industry appointments.

Sir Peter Carey, the Industry

Department's Permanent Secre-

small od hoc group of advisers

and is also thought to be

interested, along with other

departments, in increasing the

number of non-executive direc-

tors moving from one industry

Transport Minister, Mr. Norman

time members, and is tryin

advance for chairmanships.

The sorts of people often

considered for the chairman-

ships—given that men in their

40s are difficult to attract—are

those occupying or retiring from

other top jobs. Sir John Green-

borough, former managing director of Shell UK and the

believed in his home industry

to have been offered the chair-

manship of the British National

Oil Corporation on two occa-

Meanwhile the

to another.

"great and the

list of the

worst paid, most arduous, and

honest advertisement might say something like: Person willing to be pilloried in public, bullied by civil serrants and Ministers in private, condemned by his employees, naid half what he could receive in the private sector, wanted for a job which he might be allowed to keep for three to five years. No guaranteed extras, althouah behariour should merit a knighthood if he polite visiting Whitehall."

But, as in so many areas, Mr. Benn did not have his way. So tries by the time-honoured be known that the methods of using the political chairman wants to however are slow and cumbersome, and are becoming increasingly unsuccessful at finding chairmen, expecially for the more troubled industries, when it is clear that hardly anyone manages to complete a chairenhanced.

The industries themselves often do not produce suitable internal candidates, and outsiders are put off by the lack of financial reward and the trustrations of political control. Industrialists in their 40s—the age-group that the present Government is particularly seeking in the mould of BL's Sir Michael Edwardes—are especi-ally hard to attract. Older industrialists, while less worried about losing their reputations, are often loath to accept the pressures involved.

Someone in his 40s invited to from Sir Charles Villiers for example might be tempted, with suitable rewards, if he felt he could be his own boss in the way that he would be if he took on a troubled private sector company. But at the BSC he would also have to cope with political interference (despite the pre-Government's avowed policy of disengagement) on both short term and long term matters. He would have to teach himself to put up with regular than new chairmen expect). He would also have to be prepared £48,500 a year (subject to some possible increase to account for

The steel job is of course one of the most difficult to fill, as is

chairmen of ICL

TF Anthony Wedgwood Benn end of the scale, however, there had had his way when he seems to have been little trouble in enticing Dr. Austin tempting advertisements might Pearce to move from the now be appearing in the £75,000-£80,000 chairmanship of national Press offering what are Esso to be the £44,000 head of widely regarded as some of the British Aerospace. Not only is aerospace one of the more sucinsecure jobs in British in- cessful of the State-owned heavy industries, but Dr. Pearce will also have the challenge of transforming the corporation into one of the first of the Government's partially privateowned industries. This means that his allegience to Whitehall and Parliament will eventually he reduced. Dr. Pearce, at the age of 58, acknowledges that he has won an absorbing challenge after a life-time with Esso, and is believed to be not too badly off financially after tax when his Esso pension (partially commuted into an immediate lump sum) is taken into account.

The hunt for a chairman ministers and senior civil ser- normally starts between six vants are now trying to find months and a year before the people to become chairmen of existing incumbent's term of about ten nationalised indus- office expires. Sometimes it will be known that the current and industrial version of the more often than not Ministers "old boy net." Such methods and civil servants start looking for an alternative without telling the existing chairman whether or not he will be invited to carry on. This embarrassing, if not insulting, procedure infuriates the chairmen but is defended by civil sermanship with his reputation vants who say they dare not risk telling the chairman he must go in case they are then left with no-one to replace him. This last happened in 1974 when Sir William Ryland was re-appointed to the Post Office after having chairmanship known for some months that the Industry Department wanted him to go and had been unsuccessfully looking for a re-

When the hunting process take on the Steel Corporation starts, senior civil servants responsible for the industry will consult their permanent secretary (who will be closely in-volved in choosing the candidates) and the Minister. Top executives and board members in the industry concerned will be considered first, unless there is some clear need or wish for a political appointment of someone like a former Minister. (The present Government is avoiding such appointments although it would not turn down a new monitoring by civil servants Lord Robens—former Labour and by Parliamentary Select Minister and Coal Board chair-Committees, (which almost man-should one emerge.) The always proves more irksome current chairman of the industry, will, at some stage be asked for his views and suggestions. to operate fully in the public and other people close to the ineye. For all this his salary in a dustry, as well as more general few months' time would be contacts, will also be sounded out for names. Sometimes (as happened with Dr. Pearce) the current CBI president, is inflation) which is roughly half man chosen may already be a that earned not only by the non-executive director of the chairman but also the deputy board concerned. Alternatively he may have links with the

British Aerospace National Nuclear Corporation British National Oil Corporation British Steel Corporation UK Atomic Energy Authority

Consultation process

BNOC or, possibly, at British Steel. Sir Barrie Heath, the retiring chairman of GKN, had been mentioned as a candidate if Dr. Pearce had not gone to Aerospace, while Sir Lindsay Alexander, of Ocean Transport, was offered (and rejected) the Shipbuilders' chairmanship. But not all the names that appear in speculative reports about chairmanships are necessarily genuine runners. Some of them are self-promoted, either intentionally or simply because it is often difficult for top industrialists to admit that they have

The particular skills and experience required for various jobs will obviously direct attention to certain sorts of candidates, although there is no rule about this and the hunt often becomes so desperate that preconceived notions of an ideal person are often abandoned. For example, Sir Charles Villiers, a 64-year old merchant banker, as not the first choice for the tary, has for example formed a BSC chairmanship four years ago when no-one had specially thought of scouring the banking fraternity for a candidate. Now the Government would

not been offered a job.

enced industrialist in his 40s for British Steel, with leadership qualities to win over the work-Fowler, is putting people in force, and the tact to work their 30s onto boards as part- alongside Mr. Bob Scholey, the blunt down-to-earth or they rejected the approach.

like to find a financially experi-

Mr. John Gardiner, the business, as Sir Michael sions. Sir Denis Rooke, the self- just become a non-executive the Industry Department. But case of Ministers and civil ser-Edwardes did with BL since he made chairman of British Gas, director). Mr. John Harvey- up to now they have usually vants revelling in the sort of

approached, and Mr. John Eccles, chairman of Ransome Hoffman Pollard, was considered by Ministers. Sir John Buckley, chairman of Davy has been men-tioned, as has Sir Peter Carey, who is in charge of the hunt and has shown no personal interest in the job. Among politicians named and certainly considered informally by the Department are Mr. Eric Varley, former Labour Industry Secretary (who if he ever decided to leave politics would probably rather go to the National Coal Board when Sir Derek Ezra retires in 1982), and Mr. Roy Mason, former Labour Ulster Secretary and ex-miner,

FIRST VACANCIES FOR CHAIRMEN OF STATE INDUSTRIES

March 1980

August 1980

Feb. 1981

Feb.-March 1984

Salary in

£44,000

£53,500

€48,500

£52,500

would also prefer the coal job. From within the steel industry, in addition to Mr. Scholey, another name canhas been Mr. John (Jake) Stewart, a member of the old Stewarts and Lloyds steel family, who is in his 40s and is the BSC's managing director in Scotland.

Headhunters called in

But no-one has been found and the Government would now probably like to appoint somechief one to move in as soon as the organise heirs apparent well in executive and deputy chairman, current national strike is over who would like the job himself. to work alongside Sir Charles Many names have been floated Villiers until he goes at the end in newspapers and magazines, of the summer. Rather late in and approaching a dozen have the day, the Industry Departbeen seriously considered as ment has called in headhunters runners by the Government; but including Russell Reynolds either they have been discarded which has now submitted some names.

44-year-old chief executive of third of their target's annual the Laird Group is believed to salary as a fee-£16,000 in the have refused the chairmanship case of BSC-and have been not only of the BSC but also used for a variety of appoint- one of the people sometimes of Shipbuilders (where he has ments in the past, especially by consulted commented: "It's a shipbuilding which also faces a was both chief executive of is now being tipped for another Jones, a deputy chairman (and proved themselves more power play that they understand troubled future. At the other Chloride and a part-time mem-challenge, probably at the possible future chairman) of successful at finding specialist, and enjoy."

executives—like although they have also some times been used to sound out a candidate whom a department might not wish, initially, to approach openly. If the headhunters managed to help find some chairmen for posts now falling vacant they might well be more widely used in the The main problem however is not the method of selection but

the fact that the industries do not breed enough of their own chairmen. High flyers at universities who want to go into industry are almost certain to go into the private sector, while those interested in public adminstration will aim for the Civil Service. As a result the public sector industries are often left with little apart from their technical experts and about 25 per cent of their top posts are filled from outside. It is relatively rare to rise up through an industry and become chairman although it has been done by people such as Sir Denis Rooke and Sir Derek Ezra. But there is no obvious career pattern either within individual industries, or eyen spanning the State-owned sector.

The Nationalised Industries' Chairmen's Group has called for a more professional approach to various changes, including a system involving more internal appointments with the selection process starting nine months efore a contract expired. The chairman would know whether he would be reappointed three months after that.

But nothing positive has Headhunters usually charge a emerged from these ideas, and the suspicion remains in the industries that governments like the present ad hoc system. As

Young master back at school

Nigel Short, the 14-year-old chess prodigy, could not make the trip with the English team which left at the weekend for the Eourpean championships in Sweden. "His headmaster feels he has already had too many days out of school," explained David Anderton, the team's nonplaying captain.

Even without young Short, the youngest-ever International Master, the skipper is still confident his players, average age 26, have an outside chance of taking third prize behind the Hungarians and Russians and one place ahead of the Yugoslavs. Young Nigel is not the only

world-clas player having trouble with the headmaster. Paul Littlewood, a 24-year-old chemistry teacher, staging his first appearance for his country after making the grade as Inter-national Master last September, told me his head was "not struck" on lengthy absences struck" on lengthy absences from the lab. And I detected a tone of resignation in his admission that in his two encounters to draw. More assured was John Nunn, a mathematics lecturer at Oxford, who boasts three wins —" one only two weeks ago " and a draw over the newly risen

most experienced members, who turned professional eight years ago when he was a car's broken down in ago when he was 23, is visiting fee is less than the more canny. "I avoid playing mini-cab fare." youngsters if I can," he says.

Reticent about the earning power of a pro chess player, Keene says only that from book royalties, prizes, newspaper columns and chess displays, a full-time good class player can earn "well in excess" of the income of a man in midle management. His eyes twinkle at the thought of the SFrs 1m prize collected recently by Russian Karpov in a world tournament.

rising popular interest in the has started to draw backers. A few years ago, Keene recalls, the backing was so poor that some of England's best players refused to play for the national team. Michael Butterwick, chairman of Duncan Lawrie, the plantation and warehousing firm backing the current trip, is a keen chess buff himself. "There's little publicity in it for us. We do it for the love of the game. I think this will cost us about £3,000," he tells me. The players also seem to appreciate the low-key approach and cringe at the thought of circus-style sponsorship now common in the U.S. Their modesty is well in control of their financial aspirations, and I found no one who would be happy to sacrifice his independand what's Supergrass ence and play endless exhibition got to say this week? matches kitted out in promo-

tional costumes-no matter what the rewards.

Lame excuse A young veterinary surgeon friend, eager to make a name for himself and therefore happy to turn out at all hours, tells me he drove out to an isolated farm one night recently in answer to an "emergency" call. Arriving at the holding and asking to be led to the ailing beast, he was told there was no veterinary crisis.

Soldier's tale

I hear one of the international business community's more rumbustious members, Simon think he was an awful harum Murray, executive in charge of scarum chap," Sir William retrading operations for Jardine calls fondly. And while Murray Engineering in Hong Kong, will retains much of his barnstormbounce back to London next ing vigour, his father-in-law's March for the launch of his view of him has moderated, paperback book, Legionnaire. "He's doing very well, I think paperback book, Legionnaire. Hent Murray, who started work as he could be called a whizz-kid.

Sponsorship in Britain yields a trainee engineer with Mather But he's still a tremendous



and Platt in Manchester in the late 1950s, tells me that the over-riding gloom of those days, rendered even more profound by his habit of spending £10 a week on a wage of £7, led him to seek "romance" in the in the French Foreign Legion.

Brimming with romantic notions, he signed on for five years at the romantic age of 19 and found himself pitched headlong into the Algerian war. His memoirs, he says, are a full record of his service during which he made modest progress through the ranks, climbing from expectant poils to battle-weary coporal chej.

Back in now-swinging Britain in 1965, he shook the sand from his boots, switched back into engineering with Jardine and moved on to Hong Kong, taking with him his new wife, Jennifer. daughter of his old boss, Sir-William Mather. "I used to

character, a great entertainer." Perhaps more of a character than an original in some ways. He made a name for himself last year at a Stamford University summer school, it is true. But the feat that did the trick-swinging from a chandelier-must surely have been

Tick for tourists

It is often said that "Brazil is not logical, but it works." So the authorities have conceived an idea that tests the brains of those accustomed to financial logic: the Bank of Brazil, at the instigation of the National Tourist Board, is offering £25m in loans at 15 per cent interest to citizens of the U.S. wishing to visit "the country that is a continent. If the idea works, the borrow-

now-pay later policy will be extended to .Europeans and Japanese. The reason for this novel offer, from a country £254bn in the red, is that vast Brasil has a minute tourist Only 750,000 people came

visiting in 1979 but calculating what they spent has defeated Most exchanged their pesos, dollars, sols or yen on the thriving black market, which has always extended a warm welcome to foreigners.

Less friendly, I learn from Rio, are the muggers, pick-pockets, armed restaurant, shop and bus raiders and cab drivers who have a colourful habit of turning up meters to ten times their normal speed — all of which make a loan, on occasion, quite useful for the visitor from

Revised version

—Seen stuck on the rear window of a car in Sheffield: "Do something about the steel strike, Mrs. T. Necessity is the mother of intervention."

Observer |

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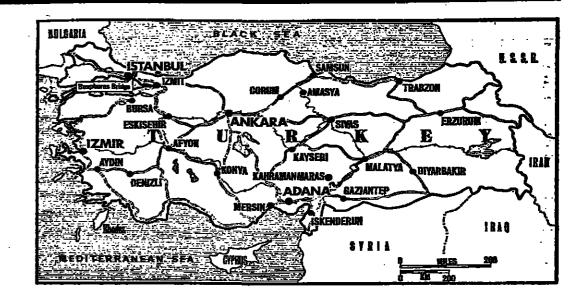
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A minority Government is trying to tackle the economic crisis and political violence which wrack the West's most important ally between Europe and the East. Before Afghanistan and even before Iran—Turkey's position was crucial. Yet the West has been slow in helping a country whose difficulties also show how oil prices rises threaten the developing world.



A vital West

By David Tonge

WHEN a Romanian oil tanker exploded in Istanbul two months ago, many people's reaction to the noise was that the civil war had started.

Between 150 and 200 people are being killed each month. Fear stalks the streets with the cold. There is little fuel oil, little lignite and little electricity to heat the snow-bound homes of Anatolia. Unemployment exceeds 20 per cent. Inflation is unchecked with prices rising at an annual rate of 70 per cent. Factories are working at far below normal capacity, and workers' real incomes have fallen by up to one-third. "They talk of austerity and tightening belts but our belt buckles already touch our spine," one union leader complains.

It is a recipe for unrest. The Teft describes Turkey as "the weak link of imperialism." The religious right says Turkey is involved. being punished for "making At Guadeloupe a year ago it

anxiously south east, wondering how long it can control the pressures spreading from Iran to Turkey's 7m Kurds.

This then is the state of the most important ally between Europe and the East. Though its people are Moslem, involved were reasonable, its secular state is showing around \$1bn. But the aid was every sign of resisting the surge largely tied, depended on of Islam round its borders, not Turkey being on good relations least in Iran. But even before Afghanistan there were reasons why the West should have been concerned. NATO may never have considered Turkey would accept theatre nuclear forces on Turkish soil, but the country's strategic position is important. Straddling the Bosphorus, it helps to pinch "the giant's nostrils," as Churchill once wrote. Further, the U.S. needs its bases in Turkey to monitor Soviet missile launches and would like to use the bases in way which Turkey at present

people make it a large market. The country's foreign debt reflects this, totalling over \$14bn, of which more than half is owed to Western banks.

Yet what has been the West's response to Turkey's predicament? The answer is an object lesson in neglect. The result is a warning to both the West and other developing countries... It took a particularly bloody massacre in Turkey, the proclamation of martial law and, in

Ayatollah Khomeini to make the West face the problems

particular, the advent of the

which eventually came could hardly be described as emerg-ency. Between Guadeloupe and the formal pledging session of the Organisation for Economic Co-operation and Development seven months passed. The sums with the International Monetary

available. cial bankers also lagged. When it did come it involved the rescheduling of Turkey's arrears at a rate extremely profitable to the banks, and over seven years —a term so short that it is only a matter of time before the rescheduled debts will themselves have to be rescheduled.

Battles with IMF

forbids, as staging posts.

Then there are economic considerations. Turkey's 45m that to be said that Turkey has often been its own worst enemy. This was particularly It has to be said that Turkey enemy. This was particularly true in dealings with the IMF. The Government of Mr. Bulent Ecevit which was in office between January 1978 and October 1979 failed to keep its 1978 agreement with the IMF. It was only after it bad been in office 19 months that it finally reached a fresh agreement last July.

Before this, Mr. Ecevit had frequently been involved in public battles with the IMF. But the IMF, for its part, showed little of the spirit of its 1974 promises to bear in mind that the special characteristics of developing countries make it difficult for them to prompt adjustment tion. Industrialisation is prov-

friends with those who are not was agreed that emergency aid without seriously damaging with Islam." And Ankara looks should be given. Yet the aid their long-term development

Indeed, when agreement was finally reached last year it was One-third of this was from Turkey's normal credit tranches and the other two-thirds from the IMF's new Supplementary Financing Facility (the so-called Witteveen Fund). But there was nothing from such other sources as the IMF's Extended Fund Facility. Fund, and was slow to be made

On the contrary, at times Turkey seems to be receiving better aid from the Soviet Union than from its treaty

Turkey's politicians must share the blame for the crisis. The 1975-77 coalitions of Mr. Ecevit's right-wing rival, Mr. Suleyman Demirel could agree on little except profligacy. They left a tainted legacy to Mr. Ecevit. He claims to have been let down in 1978 by Western financial sources. But throughout he appears to have overestimated the weight which the West attached to his argument that his fall would be the fall parliamentary democracy. And Turkey's strategic importance was less apparent than it has been since Christmas.

crisis is not a simple wrinkle in the process of growth. It is a long-term problem of Turkish society af large no longer fitting the clothes it once wore. The traditional economy and village values have been overtaken. The pains of shifting to an increasingly urban society have been aggravated by the

inexorable growth of popula-

However, this whole present

BASIC STATISTICS

267,812 sq. miles

Population	43.21m
GNP TL 1,228.6bn (£	26.4bn)
Per caput TL 28,434	(£610)
Trade (1978): Imports TL 101.2bn (£	2.17bn)
Exports TL 55.3bn (£	1.19bn)
Imports from UK £	l10.57m
Exports to UK	64.57m

ing as traumatic a process as it did in Western Europe.
All this is raising the question of whether the institutions imposed after the 1960 military revolution are still suitable: Also under challenge is what role should be played by Kemalism, the reformist philosophy evolved in the 1920s by Kemal Ataturk, leader of Turkey's war of independence against the British, the Greeks and others.

The immediate evidence is disquieting. Factious coalitions and minority governments have dominated the recent past. Parliament has been unable to produce legislation. Where the other institutions are concerned, checks are more evident than

Necessary changes

One of the fundamental problems of modern Turkey is how a society whose majority is traditionalist can be persuaded to accept the changes necessary for it to compete in the twentieth century.

Ataturk's solution was to rise, controlling whole areas of impose these reforms from above. Mr. Ecevit is heir to the People's Party charges. which Ataturk founded and, in which Atatura bounded and, in the populist way, to some of rely on the support of, and give Atatura's methods. His achieve- posts to followers of the NAP

tellectual elite, many civil workers. His tragedy in government was his alienation of his

Currency: Lira: £1=TL 106.33 Mr. Demirel's Justice Party is the heir to the conservative values of Anatolia. These are his origins and he is as sensitive to the mood of the smallholder as he is unable to grasp the realities of the factory floor.

> terms, he is an old-style con-servative, politically—reflecting the extent to which Turkish politics is distorted by the keeping of the communist party underground rather than in the open where it can be seen. That the two men should

struggle with each other is unavoidable. That they should do it is also true that to a large this so bitterly is regrettable. extent Mr. Ecevit did the same. For years Mr. Demirel seems to have feared being outflanked on his right by the national socialist Nationalist Action Party of Mr Alparslan Turkes and the pro-Islamic National Party of Mr.

Necmettin Erbakan. East, the NSP seems unlikely to be a major force. But Mr. Turkes's activists are on the

towns-and appearing too often in court to face murder

Mr. Demirel's readiness to posts to followers of the NAP ment in the early 1970s was to has led to some disquieting extend the base of the RPP, consequences. Last month welding a coalition of the in- the centre of Ankara witnessed the extraordinary sight of the servants and the poorer Ministry of Customs being agricultural and industrial stormed by right-wingers trying to displace those who had been working under Mr. Ecevit's

Political stage

This is part of a wider prob-lem—that of the undermining of state efficiency by the whole sale purging of the civil service and state machinery by each new government. The last While liberal in economic government recall of the governors of each of Turkey's 67 provinces, the same treatment of 59 of the 67 provincial security chiefs, the sacking of 11 directors of the large state economic enterprises and even the replacement of the head of the State Theatre. But

> he changed 3,700 civil servants in the top four gradespared with the 4,300 changes made by Mr. Demirel in the two years he was last in office.

In his first 54 weeks in office

Mr. Ecevit is acutely critical of Mr. Demirel for turning to Despite the general resurthe NAP for support when he gence of Islam in the Middle himself had held out an olive branch to Mr. Demirel. But, as a days he has expressed willing-

Foreign policy EEC: the hopes in Ankara

CONTENTS

mo. me maken un unusen a	_
The economy	ш
EEC: the fears in Brussels	Ħ
Foreign debt	IV
ndustrial survival	IV
Violence	V
Arms smuggling	. V
Views on the USSR	VI
The Kurds	VI
Links with Greece	VII
slam in Turkey	VIII
Energy supplies	IX
Smigration	X
abour relations	X
Banking system .	XI
0	

Foreign investment Population

Education XII Profile: Gen. Kenan Evren XIII Profile: Torgut Ozal Profile: Hayrettin Erkmen XIII

XII

XIV

Profile: Esat Kiratliogiu Profile: Dr. Turker Alkan Profile: Aziz Nesin Overseas construction

The film industry

CONTINUED ON NEXT PAGE

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Stronger links with the West

FOR THE first time in 20 years the NATO Ministerial Council will this May be meeting on Turkish soil. The invitation was issued by Mr. Suleyman Demirel, the Prime Minister, before the Soviet invasion of Afghanistan. It underlines the priority goals of his foreign policy—to sort out Turkey's problems with the West, which have accumulated over the years, and to re-affirm its place in the Alliance. If anything, Moscow's Afghanistan venture has stiffened his resolve.

For the past six years in general and the last two in particular, Turkish foreign and the charismatic main opposition leader and Prime Minister for nearly two years until he was succeeded by Mr. Demirel. Foreign policy was the natural domain of Mr. Ecevit, a former student of Dr. Henry Kissinger but not as expert as the former U.S. Secretary of State in

In his long years in opposition he devoted a lot of thought to foreign and defence policies and put forward theories which were often more philosophical than practical and suffered from

being not clearly defined. Generally speaking, in foreign policy he advocated diversifica-tion. He maintained that Turkey was a Balkan and Middle East country and, while maintaining its ties with the West should concentrate on surrounding it-self with a "ring of friendship." Being underdeveloped, Turkey should nurture closer ties with the Third World-particularly the Arab States from which cheap oil and economic aid could be got and participate in the North-South dialogue.

Mr. Ecevit also believed that the Soviet Union, prospering under a stable leadership, no longer harboured aggressive designs and could not risk detente, from which it stood to gain more than the U.S. According to him, the West

owed generous military and economic aid to Turkey because it was a democratic State and obliged to carry for the defence of the West. But his "national defence concept," advocating vague self-reliance and a smaller army, never emerged from the philosophical plane. To this day not even Turkey's generals know what it entails.

Wide experience Although basically a pro-West already in a state of

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preted to be designed to impose on Turkey a neutralist foreign policy. It did not help that Mr. independence. Ecevit was sometimes impulsive in his applications. Perhaps his greatest misfortune was that he was in power at a time when Turkey was at its weakest eco-nomically, rent with social disorder and lacking that vital leverage in foreign policy which comes from strength.

This was particularly conspicuous in his dealings with the West, when on the one hand he demanded substantial credits and investments and on the defence theory has been in other threatened to "scale the fluenced by Mr. Bulent Ecevit, wall" if these were not forthcoming. The West came forth in its own good time and under its own conditions, creating in Mr. Ecevit a still lingering sense of betrayal and bitterness.

Mr. Demirel's intention appears to be to clear the clouds. He is stoutly pro-West and vehemently anti-Communist, but pragmatic in his dealings with both camps. He does not bring what a Western diplomat has called Mr. Ecevit's "intellectual fascination" to the subject but has the benefit of experience which his pre-

decessor lacked Turkey's domestic problems will claim so much of his time, so that foreign policy will generally play a secondary role. Turkish policy on such major issues as Greece and Cyprus will be a holding action (Visavis these two questions, which are dealt with extensively elsewhere in this survey, Mr. Demirel believes that Turkey cannot obtain concessions in its present state of weakness, which both Cyprus and Greece want to perpetuate if not desiring to exacerbate). There were not more than a couple of paragraphs in his minority

Government's programme on foreign policy. The continuing convulsions in Iran and the Russian invasion of Afghanistan pose a direct threat to Turkey's own stability and integrity.

Ankara was almost sorry for the heavy burden it was about the post-Shah develop-obliged to carry for the defence ments in neighbouring Iran than the U.S. Turkey is keen that Iran remains an integral country outside the Soviet sphere and eventually attain stability. Secession by the Azerbaijanis and the Kurds in Iran could create great problems for Turkey, whose eastern regions, where between 5m and 7m Kurds live, are intellectual Mr. Ecevit created a unease. Ankara fears that if lot of confusion and suspicion Iran disintegrates its new in the West with his ideas, entities could fall under Soviet

The Soviet incursion into Afghanistan has been interpreted by the Turkish Government as showing that Moscow has no qualms about invading its Near East invading its Near East satellites, a fate which they fear could befall an Azerbaijan or Iranian Kurdistan.

It was no surprise, therefore, treaty. that soon after the invasion of Afghanistan, Ankara speeded up its negotiations with the U.S. on their new Defence Cooperation Agreement (DCA). The negotiations, begun under Mr. Ecevit, had been dragging on for nearly a year. They were concluded earlier this month when President Carter sent emissaries İΟ empowered to take political decisions without consulting Washington.

The DCA is expected to spen new chapter in Turkish-American relations, which went steadily downhill after Turkey sent its army to Cyprus in 1974. Congress, prompted by the Greek lobby which the Cyprus war created imposed embargo on arms supplies to Turkey. Turkey retaliated by suspending the activities of its American bases, which are electronic in nature and spy

President Carter lifted the martial law provinces, where embargo in 1978 and the Turks half the 4.5m population lives. allowed the bases to go on the

up a joint front with Iranian basis pending the conclusion of and Iraqi Kurds to fight for a new defence treaty.

by three annexes on the rules under which the bases will operate, American military and economic aid and investment in Turkey's armaments industry. The Turks are expected to get around \$450m a year under the

the situation in Afghanistan will emphasise Turkey's strategic importance in the eyes of the West and focus the latter's attention on the weaknesses of Turkey's defences. Turkish defence capability

the American embargo and the inability of the country to allocate large sums of cash for arms purchases. The Turkish arsenal is basically of World War II vintage with the exception of 80 Phantoms and small number of new and submarines. With 500,000 men under arms. Turkey has the largest standing army in the region outside the tions behind NATO and behind the neighbouring countries including Syria, Iraq and even Bulgaria. Over the past year the army has also suffered from on military activities in the the need to deploy large Soviet Union and the Near East. numbers of troops in the

a new defence treaty.

The new DCA is for five years and consists of a foundation agreement supplemented defining agreement supplemented reinforce. Turkish defences a subject on which there was defenced by three annexes on the rules. aid generally flows much too Even if there were proposals for such aid it might be blocked by the Greek lobby,

which is still alive and kicking It is more than likely, in the circumstances, that barring the disintegration of Iran the Turkish army's modernisation will have to wait for the normalisation of the Turkish economy.

Arab pressures

Under Mr. Demirel Turkey's has been seriously weakened by ties with Arab States are expected to continue to improve. The slant in this respect will be economic since Turkey does not want to be embroiled in either the Middle East conflict or inter-Arab squabbles and has pru-dently resisted diverse Arab pressures to be drawn in. Ankara believes that Israel should withdraw from the Arab territories it occupies and Palestinians should be granted the right to form their own States. After years of vacillation Turkey in 1979 allowed the Palestinian Liberation Organisation to open an office in Ankara. But it will not go much further.

Also under Mr. Demirel Turkey's links with the Third World and the distant countries It appears unlikely, however, of Africa, South America and

the situation in Afghanistan will grow but—as in the past—slowly lead to an American campaign—and without any drains. For many years until the mid-

sensus. This is no longer so.
Mr. Demirel can be said to
represent the traditional proWest line. Mr. Ecevit, who will no doubt in time reconcile himself between the philosophically exciting and practically feasible is for the multi-faceted foreign

Other elements are added by other party leaders who repre-sent smaller but none the bas important segments of society. Professor Necmittin Erhalten the pro-Islamic politician, is in favour of closer ties with Aral States and dreams of a cos mon market and comm currency for the Islamic State Mr. Alparsian, Turkey's ultra Right Wing exponent embodies the ideal of uniting all Turks under one flag - something which arouses uneasy feelings throughout the region whent Turkish or Turcic minorities

proliferate. Mr. Demirel's สาร์สาร์สา Government is supported by these two men and their views cannot be entirely disregarded Similarly, changes of government will entail more changes in general foreign policial although it may just be of sixteor emphasis, than was true before the mid-seventies.

Metin Muni

EEC: the hopes in Ankara

WHILE IN opposition Mr. tude towards the Community. Suleyman Demirel, the Turkish Many were hostile. However, Prime Minister, once said that the social and economic upas soon as he came to power heaval which started in 1977

do so, as a Common Market for Turkey and economically official put it, "has not entirely for themselves. They suggest receded."

So far, Mr. Demirel has sent years. Mr. Hayrettin Erkmen, his foreign minister, to Brussels cial and business attitude is by and withdrawn the freeze im-no means a guarantee that the posed by his predecessor, Mr. Turkey-EEC problems will be Bulent Ecevit, on Turkey's any easier to solve. obligations to the community of Mr. Demirel's 1980 which it is an associate member. The upshot is that the bluntly states that, in their Turkey-EEC Association Counpresent form, the Turkey-EEC cil is likely to meet during the agreements "are in contradiccourse of this year to make a tion with Turkey's industrialisa-

year for the first time since 1976," when the crisis erupted,

who is planning to effect an overall improvement in his country's relations with the West, has decided to seek a compromise with the Nine. In Brussels, Mr. Erkmen told the Community that his Government was prepared to solve the problems through negotiations and would prepare proposals.

"This year we intend to make a serious effort to review our relations with the EEC in view of Turkey's development strategy and the problems it is encountering, with a view to improving these relations," said a Turkish official.

Mr. Demirel's approach is backed up by big business in letanbul which went through in

Istanbul which went through a radical change of heart over the Community in the past two years. Seeing full membership or even close association with the Nine a threat to their dominance of the captive local market, Turkish industrialists were of two minds in their atti-

he would apply to the Common appears to have led them to the Market for full membership. "The danger" that he may be a useful anchor politically a transition period of around 10

However, the change of offi-

gramme of economic activity fresh attempt at appeasing tion targets and the measures it Turkish grievances and normalis obliged to take to solve the "We could have a fruitful from the start there has been an imbalance between the concessions that Turkey granted to says a Community official, the EEC and the concessions it cautiously crossing his fingers. got in exchange . Turkey-

The Community appears to be favourably impressed by Mr. Demirel's attitude. The propriete enterprise politician, who is planning to effect an

Main points

Simplified, Turkey's grievances with the Community centre around these points:

 Privileges granted by the Community to Third Countries have eroded the concessions pos-sessed by Turkey in the field of agricultural exports to the Nine. • The Community has imposed restrictions on textile imports from Turkey, forcing Ankara to conclude that other Turkish industrial. products which may become as competitive as textiles stand in danger of being denied unobstructed access.

In view of its serious economic problems Turkey economic problems Turkey should not be expected to continue lowering its tariff barriers

to goods from the Nine as originally programmed. Turkey requires that its workers be allowed free circula-

tion in the Community as pre-viously arranged but subse-

A vital ally

CONTINUED FROM PAGE ONE

ness to form a coalition with Mr. honeymoon could end stormily. Demirel and the two have met. His major immediate problem to discuss legislation to tackle is the need to take fresh aus-

It is a beginning—and one which has only happened because the armed forces have demanded it. Their warning to the political parties, issued three weeks ago, has evoked memories of how Mr. Demirel was forced out of office by a military ultimatum in 1971 and of how Adnan Menderes (whose political heir Mr. Demirel, to some extent, is) was was overthrown by the military in 1960

It seems that the Turks are still some way short of these two previous experiences. The armed forces, already involved in administering martial law, are generally believed not to seek a more prominent role on the political stage. For his part, Mr. Demirel has since gone far to showing that bridges between the military and the civilians are not broken.

In narrow political terms, Mr. Demirel's apparent aim is to survive until the Spring, by when he hopes to have the Sabri Caglayangil, one of his party's elder statesmen, elected as President of the Republic and by when the weather will allow

fresh elections. He needs elections soon. Last

terity measures as the IMF and Western banks require. He and his economics co-ordinator, Mr. Turgut Ozal, produced a successful package in 1970. Something

In many ways he is luckier than Mr. Ecevit. The latter had finally won most of the traditionally xenophobic elements in his administration to accepting the needs for opening the long-closed Turkish economy. It had been a rugged battle but it has meant that there is likely to be less opposition to the changes that Mr. Demirel pro-poses—and the IMF and OECD want—than would otherwise have been the case.

But it can be asked whether

similar is expected now.

this change will suffice to set the economy to rights. So far, each time the Turks seem about to get on top of their problems new rise in oil prices knocks their calculations off the table. All their export earnings go to buying the oil which keeps the country's power stations, factories and vehicles turning.

In this important sense its problems are those of numerous developing countries. Its lesson is a worrying one, that political uncertainty and massive debt re-schedulings are liable to be brought on by these prices rises. October he won a convincing 48. And that the West has no real per cent of the vote but his mechanism to handle this.

■ A method should be found to ensure that Turkeys' interests are not harmed by Greece's accession into the Community and a mechanism be set up to allow Ankara in decision making. -

• The Community must be generous in financial assistance to support the Fourth Five-Year development plan which went into effect last year.

quently rejected by the Community.

Proposals and counterproabout a mutually acceptable EEC problems: compromise on these griev-

ances. On most points, the

their circumstances or, as in the case of the free circulation of workers demand their treaty rights. The Community finds justification in its own circumstances — growing unemployment, the vulnerability of their textile industries, the touchi ness of agriculture and the expansion of the EEC

A Turkish demand for full membership, not economically feasible, could force the hand of the Community as it canno be rejected outright and bring posals have failed to bring a new dimension to Turkish

Metin Munir

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New approach needed to solve economic crisis

Recause

URKEY'S ECONOMIC prob-lems are so dire that logic siggests that politicians of the two main parties set their dog-matic differences aside and work out a bipartisan approach. In this context alone, the demand by the armed forces generals that there should be closer cooperation, are more pertinent than in any other sector except violence. If comfort is to be drawn from the protracted economic crisis, it is because it might provide the excuse for aking a radical change in policies and for imposing a iscipline which had been lacking before.

The problems themselves can defined without difficulty. Their solutions depend on Mr. Strieyman Demirel, the Prime Minister, taking some acutely opular measures, which may in any case be virtually im-possible for a minority govern-ment. The problems fall broadly into the following categories:— An energy crisis which means. according to Central Bank Demirel who has issued the real estimates, that if exports are promises in this direction. maximised this year at \$3.5bn they would at best, only cover the import of crude oil and petroleum products. This high-lights the chronic shortage of foreign exchange and the balance-of-payments deficit The need to meet the requireents of the IMF, in particular ticular petrol.

those for a 40 per cent devalua-tion of the Turkish lira for credit control and for limiting the public sector deficit. The Economic Enterprises (SEE) incurred deficits in 1978 amounting to TL 100bn

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 The need to reduce the heavy short-term debt burden. The low level of investment. in industry. Officials at Koc, the largest private sector holding company in Turkey, say that in the last two years they have been unable to start a project of any reasonable size because uncertain political and economic atmosphere; also due to a shortage of foreign curcapital to offset inflation; and a hortage of materials. The lack of foreign invest-

payments figures, foreign investment has fallen from a mere annual growth rate of 6.9 per \$154m in 1975 to \$47m in 1978. During the first seven months of 1979, it reached only \$15.4m. The parallel economy—whose foreign exchange dealings may to 2.7 per cent, and in 1979 it be larger than those of the official economy - and the dilemma of whether to encour per cent and industry by 2.2

stimulate

favour of exports and activities abroad. So far, apart from textiles, only the construction industry with more than \$2bn work in hand in the Middle East has shown any such enterprise.

All these make an appalling complex of problems. When Mr. Bulent Ecevit's Social Democrat Government took power in 1978 it found Turkey's resources had en squandered and the country was living beyond its means.

Foreign investment

But in an admittedly difficult situation, Mr. Ecevit lost a year before eventually coming to accept the barsh terms of the IMF. By the end of his time, he was preparing to impose a more liberal policy towards foreign officials who had not been converted to this. But it is Mr. promises in this direction.

Specifically, he has pledged to attract foreign oil companies to explore for oil in Turkey. Some prices have already been raised -margarine and cooking oil by between 50 and 100 per cent and cement by 40 per cent, and more are promised, in par-

Above all, Mr. Demirel hopes encourage exports, and to relax import restrictions to permit the prices of such basic products as iron and steel, cement, chemicals and petrochemicals—vital for a run-down industrial sector—to reach market levels.

The Demirel Government's more liberal approach would seem to be emphasised by the appointment of Mr. Turgut Ozal as under-secretary of the State Planning Organisation, and a key economic adviser. Mr. Ozal held this position from 1967 to 1971 when many foreign companies succeeded in forming insufficient working joint ventures in Turkey. The decline in Turkey's

economy is clearly illustrated by the growth rate in the GDP. ment. According to balance of Between 1963 and 1976, the economy averaged a respectable cent. But by 1977, the start of the current recession, it had fallen to 4 per cent. The following year it had fallen further reached only 2.4 per cent, with agriculture growing by only 1.1 per cent. In the light of these operate with its current figures this year's target of 8.2 foreign exchange policy."

effectiveness, but outside direct per cent can only be described government control.

per cent can only be described as somewhat optimistic. Inflation has soared in recent

domestic producers to turn away years from a rate of 25 per from the home market in cent in 1976 to 75 per cent in the final quarter of last year; the prospects of there being a slowdown in the short term must be unlikely. First, en-forced price rises are bound to accelerate inflation, and this politically must be one of the riskiest of the IMF's demands for Mr. Demirel's government.

Second, if, as has been reported, the budget for the fiscal year 1980 (which begins on March 1) results in expenditure TL 739.1bn (\$15.7bn) this will mark an increase of 82 per cent over the 1979 budget of TL 406bn (\$8.6bn) and further fuel inflation, even though in dollar terms after the lira was devalued 45 per cent in June last year and further re-adjusted in December downwards against ten major currencies in a belated move to realign the lira's cross rates.

Third, this winter's round of wage negotiations involves many of the major 24-month contracts and will add further inflationary pressures. In May last year, the minimum wage was raised by 63 per cent to TL 5.400/month (\$116.4). Although the balance of trade has been improving, the balance

of payments generally continues to be burdened by debt servicing. This is depite some success getting debts re-scheduled. The trade balance has improved from the deficit in 1977 of \$4.04bn (composed of exports of \$1.76bn and imports of \$5.80bn) to \$2.31bn (exports \$2,29bp and imports of \$4,60bn). The IMF has calculated that the deficit last year would be about \$2.25bn in part due to exports reaching \$2.75bn as a result of export formalities being sim-plified and tax rebates on the

export of manufactured goods.

Many exporters appear to under-

state the value of exports so as

to build up funds abroad. Last summer, Tusiad. the Turkish Industrialists and Businessmen's Association underlined the problem of Turkey's balance of trade by calculating that Turkey's minimum import requirements at present are \$5bn, of which the chief cornponents are oil, \$1.7br. machinery \$0.9bn, and iron and steel \$0.67bn. This could be cut to \$3bn by increasing unused industrial capacity in industry and the SEEs, by attracting increased workers' remittances and easing the import of essenremains highly remote.

Yet even without the trade descit-and the current account deficit, which was reckoned to reach \$2.2bn last year and to rise further to \$2.5bn this, and despite the rescheduling of hts, the balance of payments will remain burdened by heavy debt servicing. According to the IMF, total

external debts in May, 1979, amounted to \$14.2bn of which (including of fund credit) accounted for previous year). \$8.5bn. The debt service, \$1.87bn to \$2.2bn this year, could eventually reach \$3.55bn in

prices alone; the chances of the peak in 1974 of \$1.42bn but have trade deficit being reduced since then declined to \$0.98bn in 1978.

differences

between the official exchange and the free market rate, a large proportion of workers' remittances has been transferred through unofficial channels. TUSIAD calculates this at \$2.08bn between 1973 and 1978. However, remittances, officially recorded, have risen again, so that during the first eight months of 1979 they reached \$1.3bn (compared with \$0.53bn scheduled arrears and the use during the same period in the

These missing billions focus last year, and expected to rise attention on two fundamental questions: given the dismal account of Turkey's economy 1983. The IMF puts the financing during the last few years and ing gap for this year at \$1bn. during the last few years and its unpromising immediate If there is an encouraging future, how has it managed to area in the balance of payments keep going? The short answer

Second, should or can this system be absorbed into the formal economy or left to func-tion outside the legal para-

meters of the Government's

This unofficial economy is no secret—and, because of its pro-portions, could not be. It has figured in negotiations between the IMF and the Turkish Government. The problem is that were it not in existence private sector operations, particularly in industry, would be at a much lower level than they are already. Most companies resort to "double financing" to pro-vide imports, which might have totalled \$2bn in 1978.

The full proportions of the parallel economy cannot be, for obvious reasons, quantified. But on the basis of official and unofficial sources it is reasonable to estimate that "illegal"

ing mainly gold, industrial raw materials and arms. Remittances of workers, not passing through the banking system, probably equal official estim-ates, somewhere in the region of \$1.5bn. A similar sum is being earned through under-estimated exports of such items as food and sheep on the hoof

(particularly to Syria). What could be called loosely services," under more formal nomenclature, probable gun-running and drug-trafficking-earns anything between \$0.6bn and \$1.5bn a year. Thus, un-official earnings, even on conservative estimates, would amount to \$4bn, more than enough to cover the balance-ofpayments deficit forecast for 1983. Yet it is almost inevitable that any attempt to "legalise" these activities would reduce

But this calculation has been it should have been workers is because of the parallel imports could now be running cases drive them further under undermined by the rise in oil remittances. They reached a economy.

as high as \$4bn a year, comprise ground while industry could be a superior of the parallel imports could now be running cases drive them further under under undermined by the rise in oil remittances. as high as \$4bn a year, compris- ground while industry could grind to a halt. Turkey has been seeking, with

only limited success, to be recognised as a Moslem developcountry without oil sources and to be rewarded as such with concessional terms for buying the oil it requires. But Turkey's economic im-provement lies perhaps in a more formal encouragement of with the more predictable con-clusions reached by the IMF that exports should be stimulated, that domestic economic policies should be (specifically in the public sector) more closely to match demand at home, above all, these policies, politically difficult at any time, should receive international support in the form of aid and concessions or debt repayments.

Anthony McDermott

EEC: the fears in Brussels

AS THE new decade begins, Agreement of 1963. Turkey's often troubled rela-tions with the European Community are once more at a supportive on economic issues

crossroads posing choices for both sides. Ten years ago it seemed that the signing of the Additional Protocol to the 1963 Association Agreement promised important progress towards the goal of customs union with the EEC, and perhaps full membership of the Community. But recurrent economic and political instability in Turkey on the one hand, and recession, inflation and slow growth within the Community on the other frustrated most of those hopes.

Now it has been agreed that both parties must sit down again and recast a relationship which can lead to the modernisation and economic rehabilitation of Turkey and the cementing of its political ties with all of its tariff barriers within Western Europe. But for the the choices remain as difficult as ever.

At a time when Afghanistan has plunged East-West relations into an icy bath, the Nine are more anxious than ever to ensure an economically and \$800m was an offer of only politically stable Turkey made \$195m over five years. as immune as possible to Russian pressure of any kind. This has een a constant aim which, from

In practice, however, the EEC has not been as consistently as it might have been, partly because the growing economic problems of its members have limited the accommodations which they might have felt able to make. At the same time. Turkey itself has not proved up to the job of modernising its economic and industrial structure sufficiently to meet its

tion agreement In essence this offered the prospect of ultimate free entry into the EEC of certain Turkish agricultural exports-to which were added in 1970 all Turkish industrial products except tex-

obligations under the Associa-

tiles and petroleum products.

But this Additional Protocol was not as balanced as both sides claimed at the time, since Turkey accepted the abolition of a given period while EEC concessions on agricultural products were restricted by fears of their impact on the Common Agricultural Policy. Moreover, the Community's response to a Turkish request for a loan of

Thereafter the association became bedevilled by Turkey's internal problems, the enlarge-reached on the basis of the ment of EEC itself and the EEC's offer to accept the sustial goods through "a realistic the Western European point of ment of EEC itself and the EEC's offer to accept the susforeign exchange policy." view, underpinned the Ankara development of Community pension of tariff reductions for accommodate Turkey appears

arrangements with other Med- a period of five years. Turkey's ferential status. effective next January, has heightened Turkish fears about the outlook for its relations with the Community.

But under the new administration of Mr. Suleyman Demirel, anxieties about the impact of Greek membership on Turkish interests have produced in the past few weeks a policy switch of potentially great importance.

More concessions

In 1968 Mr. Demirel's predecessor, Mr. Bulent Ecevit, launched an initiative to breathe fresh life into Turkey-EEC relations on the basis of freezing for five years the tariff cutting obligations incumbent on Turkey. At the same time Turkey asked the EEC for more concessions for its agricultural exports and for a reduction of restrictions on imports of its. Turkish application for full textiles and refined petroleum products. Greatly increased financial aid was also requested totalling around \$8bn. Diplomatic wheels

ground slowly over the last 15 months. No final agreement was reached on the basis of the

insistence that the dismantling Greece's application for memorf Community agricultural bership, which will become tariffs could only be revived after the five-year period was over and Turkey had resumed its obligation to eliminate barriers to EEC industrial products. On the financial side the EEC was willing to offer special aid worth around \$100m.

Mr. Demirel was clearly not predecessor's initiative and last December his Government informed Brussels that Turkey was withdrawing its request for a five-year standstill on tariff dismantling. This has obviously removed the basis of the Community's proposals and the two sides will now have to nego-

coming months. There is a view widely held Brussels that the Demirel initiative could be the last chance for reviving the Association with Turkey short of a membership. With Greece joining next year and negotiations Finally, there is the question of under way on the membership of Spain and Portugal, the prospect of the addition of Turkey, with all of its economic and political problems, is not one likely to excite the Nine.

tiate new proposals during the

Nevertheless, the need to

greater than ever following the deterioration in its domestic iterranean States—a move incentive to agree was gravely deterioration in its domestic which diminished Turkey's pre- weakened by the EEC's parallel problems and in East-West relations. The timing, however, could hardly be worse, since in the next few months the EEC will

be trying to grapple with the sensitive argricultural implications of the entry negotiations with Spain. France and Italy in about the impact on their Mediterranean farmers of the happy about the outcome of his participation of Spanish citrus Common Agricultural Policy. Turkey will be looking for greater access to the Nine for these and other products and so the European Commission is unlikely to be allowed much negotiating room for manoeuvre.

> The situation appears even more delicate in the area of the free movement of labour, where West Germany, already host to a large contingent of Turkish guest workers, is anxious at least to maintain the status quo and is certainly not in favour of greater liberalisation as required by the Ankara accords. financial aid and although Ankara would like more than the \$100m on offer, it is already undertaking to submit projects which the EEC could fund up

> > John Wyles



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"TURKEY CAN borrow a little more. Currently, we owe \$12.5bn and can undertake to pay four times that amount. We will bor-row, repay and Turkey will develop. If we cannot bear the inconvenience of debt, Turkey will develop after 3,559 years. Who wants that?"

—Ur. Suleyman Demirel, the Turkish Prime Minister.

Struggle to service foreign debt ONE OF the favourite themes of Mr. Demirel, the Turkish Prime Minister is development

through borrowing — the whip, as he once put it, quoting a Turkish proverb, "which makes a brave man run faster." The problem is that while

making good economic sense for Turkey to borrow, the same is not true, at least for the time being, for lenders. Heavy short-term borrowing

in the two years preceding the crisis of 1977, subsequently coupled with a critical, oilinduced balance of payments position, has made Turkey one of the least credit-worthy countries in the world. It is, in fact, becoming clear to both Turkish officials and Turkey's creditors that Ankara may be unable to service its foreign debt despite the massive relief operations of the past two years.

The International Monetary

Fund (IMF) and the Organisation of Economic Co-operation As e and Development (OECD) Hakki agree that Turkey's balance of Governor of the Central Bank, claims, totalling \$2.4bn. The

from \$1.87bn in 1979 to \$3.55bn more than a ratio of 20-25 per in 1983, excluding debt relief.

Total cash payments after work towards this target. debt relief was \$1.1bn in 1978. Debt service payments are

expected to rise to \$1.96bn in 1980, according to the Government's balance of payments projection. This will put a continuing strain on the balance of payments, despite an expected 30 per cent rise in export revenues and a surge in expatriate workers' remittances and other invisibles. The IMF estimates that a financing gap of well over \$1bn will remain, even if imports maintained at the 1979. The situation is grim.

As explained by Mr. Ismail lira" deposits banker's credits lakki Aydinoglu, the and third party of the Country

cent without severe strain, and that the Government should

about the biggest consolidation

The first debt relief agree-

ment was reached under the

aegis of the OECD in May,

1978. It embraced \$1.14bn in

arrears on guaranteed short-term commercial arrears and

medium and long-term debts. A

second re-scheduling of about

the same order of the official

bilateral and private guaran-

teed credits took place in July,

1979. A third major re-schedul-

ing agreement was concluded with commercial banks to re-

effort in history.

Some \$1.8bn in arrears to foreign suppliers not covered are still hanging in the air. This in programme loans from Libya pliers credits and possibly for-overhang of debt has been a and Iraq, and for oil importing eign investment, will be continby export insurance agencies The Turkish debt has brought najor source of difficulties, as it has dried up the normally available export credit and forced Turkey to import largely on cash terms.

Diverse sources

Various options are being considered for consolidating this debt. But the Government is dragging its feet because it believes that most of this debt has already been repaid by Turkish importers through their

external accounts. Along with the debt restruc-turing operation the Government has obtained medium and long-term funds from relatively diverse sources.

The most important of these was pledged by OECD member- will continue to be difficult, not request was tried on M. Emile

payments position will be extremely burdened by a heavy foreign debt service in the early 1980s.

The debt service will rise from \$1.87\text{bn in 1979 to \$3.55\text{bn}}

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The debt service will ri

A total of \$547m was secured An agreement was reached with the Saudi Development Fund for \$250m in project credit. Pro-gramme type agreements were made with Romania and the

report looking at Turkey's funds medium-term prospects con-cludes that Turkey's external debt problem will be "a major subject for policy concern, even in the medium-term."

USSR.

The bank estimates that the total outstanding debt will increase from \$14.1bn in 1979 to \$19.8bn in 1985.

balance of payments situation rescheduling. Indeed, such a

bilateral credits, trace managed credits and programme loan what extent Turkey will be credits and programme loan what extent Turkey will be credits and programme loan what extent Turkey will be credits and programme loan what extent Turkey will be credit to attract long-term funds, especially of a concessional type. Medium-term private capital in the concessional type. flows, such as Euroleans, supgent more upon actual improve-ment in economic performance rather than upon promises

thereof. Continued improvement

in economic management, there-

fore, appears to be a precondi-

A confidential World Bank tion for the revival of these In view of these factors, says the report the management of the external debt remains critical financial viability and hence to the availability of imports needed to permit resumption

of growth. Of more immediate concern The very high gross capital is the likelihood that Turkey's requirements and levels of debt creditors may be confronted service ratio indicate that the with a request for further debt

that the debt relief roust be supported with fresh loans if the Turkish economy were to

hope to recover. "Turkey needs help," said Mr. Turgut Ozal, Mr. Dennings top economic advisor, " not continning help. We want tour friends to help us up. Then we can walk by ourselves."

Mr. Demirel himself appleans to be undaunted by the seriousness of the situation and is looking forward to seek

"I believe," he said, reading his Government programme to Parliament, "that we can large about a regular flow of the huge financial resources accumulated in the petroleu exporting countries and the international banks and with them at the disposal of our

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Key to industrial survival

EVERY FEW months or so since the beginning of the Turkish crisis in 1977, predictions have been made that industry would grind to a halt in a few months, owing to the shortage or total lack of imported items. Although industry has been (and is) grinding with painful audibility, production has not halted and is not likely to do so owing to the fact that, like the show, business, too, must go on, regardless of difficulties.

"If one looks at the economic indicators on paper, it seems that Turkey went bankrupt three years ago," says the pres-tigeous Turkish Industrialists and Businessmen's Association (TUSIAD) of Istanbul. However, if one studies facts in Turkey, it will be surprising to find out that the economy is still moving, despite the fact that the Central Bank has not been able to transfer any foreign exchange for more than two years.

The reason, says TUSIAD, is that Turkish businessmen "have This is believe dot amount to belong been accustomed to living in a state of economic crisis." in a state of economic crisis." Its inflow is regulated by the During every decade, Turkey so-called "Tahtakale Central has seemed to be on the verge Bank" (Tahtakale means of economic collapse."

TUSIAD, which ought to know, states that while capacity adjoining the Golden Horn), utilisation is "quite low," total still industrial production exports of manufactured goods actually increased in the past two years. Industrial exports went up from \$621m in 1978 to an estimated \$880m in 1979.

Industrial production, which went up by 2.7 per cent in 1978, There are also legal ways in grew by an estimated 10.4 per which imports can be financed. cent in 1979, when consumer The Central Bank has, from goods output went up by 5.6 per time to time, been able to afford cent, intermediary goods by 14.3 per cent, and investment goods by 16.2 per cent.

Part of the secret behind these figures lies in the exis-tence of a "parallel economy," which is booming, while the "real economy," as it appears in the official statistics, seems on the verge of coming under an obituary column. It is estimated that in 1976

alone the "trade volume" of



Mr. Sakip Sabanci and Mr. Rohmi Koc (right), industrial leaders of Turkey's formal economy. Mr. Sabanci is chairman of the huge Sabanci group; Mr. Koc is president of the executive

The wages and savings of revenue for the parallel market. tween \$1.5bn to \$2bn a year. wooden castle and is the name of an Istanbul business district

which is run by about seven "bankers." Considerable sums hroad thro commissions which retained abroad.

to make transfers for the imports of private industry, although in small amounts, Exporters of industrial commodities are able to retain 50 per cent of their earnings from export proceeds for their import needs or for the needs of companies whose needs are greater than theirs. It is also possible to obtain Central Bank financing on the basis of firm export

orders. Apart from these, there are



committee of the Koc group.

imports estimated at \$2,060m able relations with their and exports \$2,035m.

The picture, in fact, is not as Turkish workers in Europe rosy as it might appear in the constitute the biggest source of TUSAID statistics. The ways which many Turkish business-men have been forced to resort, in order to keep going, has turned some Turkish customs posts, in the words of Mr. Suleyman Demirel (uttered when he was in opposition) into "sieves"

phenomena as under-invoicing of exports, smuggling across the border with Syria, Iraq and Iran, plus other earnings, such

the parallel market, which is countless imaginative ways in of course highly illegal, which Turkish businessmen, countless imaginative ways in amounted to more than \$4bn, whose resilience and acumen and, unlike the accounts of the are remarkable, have been able Central Bank, which showed a to meet their import requiredeficit of some \$3bn was in ments, from barter to banking almost perfect balance, with on long years of good and profitmight allegedly pass, if the mic Bribery has become rife. The

evasion, already vast, his reached even greater preser-tions as illegally financed imports or their local purchas cannot be invoiced. Similarly every parallel market dollar costs at least three times more than the official rate, fuelling inflation which is creeping towards 100 per cent. The Government will some

or later have to repair the moral damage of the crisis and incorporate the parallel market into the taxable economy, as turning a blind eye on dishonesty and crime of the proportions new prevalent, cannot be tolerated, indefinitely. The proposal port forward by the IMF, OECD and the World Bank is to liberalise the economy and adopt a more realistic parity for the Turkish lira something more easier said than done under Turkey's conditions. However, Mr. Demirel has promised to liberalise the Turkish economy. It remains to be seen how far

M.M.



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THREE DEATH lists have just been found by the Turkish police. Two, prepared by the militant Left included poli-ticians, bank directors, business. men and journalists. The third, prepared by the militant Right. contained professors, the head of the Istanbul Bar Association, policemen and a famous writer. The organisations may agree on tactics, but there is an im-portant difference between them that while the Left-wing ones are justly persecuted, the Rightwingers have what can politely

be called a degree of govern-mental acquiescence. Mr. Suleyman Demirel gave an indication of his own thinking on the matter when he told a meeting of university rectors that, whereas the Communists were out to destroy the State, the Right-wing militants wanted to reinforce it. His view is hotly contested, but an awarehotly contested, but an aware-traditional society as villagers ness of it is crucial to under-thave flooded to the cities, as standing the gravity of the problem Turkey faces.

turbing. During the 22 months apage. of the Ecevit government, 2,444 nearly 10,000 people were in-Mr. Demirel took over, the seems to have increased. For five years the trend has been ever upwards in what seems a creeping civil war.

The economy is wretched unemployment high and many households having to survive the snow, without means of heating. But that violence is the country's main problem is the one point on which there seems a national consensus.

Antagonisms exist on several levels-between Right and Left; between the two main Islamic secis; the Sunnis and the Alevis (who correspond to Shi'ites); and between the Turks and the other races of Anatolia, the Lazs and the Kurds.

The tension has altered the "hole tenor of life. Cafes divide whiteally. Restaurants and right clubs throughout Anatolia ere closing as less and less people dare go out at night. Entire sections of towns have become closed to their opponents. "The Right live in the streets above us and the Left below us: we are in the middle," one judge" says of his suburb in Ankara. A journalist, such as the radical Ugur Mumeu of Cumhuriyet, will calmly slip his 15 Kurdish groups. Most parties

how they approach work each

mark -

: 31**.C5**

a gendarmerie guard on each bank and at each university, you might expect that some people would feel reassured. But there is little faith in the deeply-politicised police sometimes assigned as bodyguards. Instead there is an all-pervading fear of who will be struck next. So developed is this that one treats as commonplace stories such as up three times in the past three onths by Right-wingers whose fellows killed his father a year

Dislocated society

The explanations for this growth of violence are various. Some Turks would explain it by pointing to the dislocation of barter has been overtaken by the market economy and as The mere numbers are dis- industrialisation has proceeded

Others present the problem in people lost their lives and traditional terms, arguing that nearly 10,000 people were in underneath the veneer of jured in political violence. Since parliamentary politics lies the Mr. Demirel took over, the solid wood of the tribe and that today's violence is the vendetta in modern dress.

Then there is the suggestion reflection of the economic crisis. of the unemployment and the

But into all these strands can be woven a political thread. In the 1960s the Left began to group after years of repression. Mr. Demirel, who was then Prime Minister, responded, in part, by using the State machinery and, in part, by condoning squads of right-wing activists. To many, the present situation is that earlier one, writ large.

Few of the actors have clean hands. Left of Mr. Ecevit's party is to be found most brands of Marxist-based programme known to non-Turkish man, and a few additions as well. recent survey by Aydinlik, the newspaper of the pro-Peking Turkish Workers' and Peasants' Party, listed 49 parties. Its series on various parties ran for 33 days before it was banned by the Istanbul Martial Law Commander, General Necdet Urug. It later ran a series on gun into his desk during an and groups are banned by a interview. Some professors say penal code copied from Mussolini's system,

The parties range from pro-

Some, such as TIP, the Turkish Workers' party, have always condemned avoided Others, such as violence. MLSPB, the Marxist-Leninist Armed Propaganda Union, have claimed responsibility for killing Americans. The police have had some success in arresting members of a few of the smaller groups, with bank robberies, kidnapping and murder among

On the right, the National Salvation Party has recently attracted attention. Its cultural centre was raided and a firing range found, as well as "an appeal of the Fighter Imam Khomeini. Rebel against Satanic forces and Americans!"

However, the main force is UGD, the Idealist Youth Association otherwise known as the commandos, and its political ally, the Nationalist Action Party. It was in an UGD headquarters in Islambul that the death list was found—as well as five guns and 15 sticks of dynamite. The number of UGD members arrested and sentenced for murder is striking.

One year ago Mr. Alparsian Turkes, head of the NAP, was quoted as telling a newspaper: Then there is the suggestion "I support the commandos. We that the violence is the social founded and trained them."

The links between the two organisations are indicated by the way their offices are usually in the same building.

A recent affidavit read out in a military court describes the the Ecevit government: "You are going to help us by making is, shoot a Leftist in your factory." The workers duly factory." The workers duly obliged, even if the Leftist was wounded rather than killed.

300 members and over 1,100 Action Party have been Communist traffic. Can you hold a person responsible for robbery house?

or sleep each night in a different
Moscow and pro-Peking ones to is on record as saying that he And the Ecevit government prehouse. Many have received anarchist groups and others was one metre seventy centithreats of death.

With martial law in force and

Some, such as TIP, the Turkish the NAP were taller. But the

These Bills form the bulk of his client in Ankara military the NAP were taller. But the Ecevit government, which surprised many people with how little it did against the NAP. believed that closing the party would achieve little. Mr. Ecevit himself says that if his party had talked more against the NAP it would have made the

prosecutor task more difficult. One of the major problems for any government in Turkey inadequacy of the is the weapons it has at its disposal. Mr. Ecevit's government never seemed to have full control over the activities of MIT, the intelligence agency. It had to deal with a police force whose members were as divided as the eft and right-wing militants they were meant to be apprehending. It also had to improve the training, technical quality, equipment of the police.

Senator Hasan Fehmi Gunes, Mr. Ecevit's second Minister of Interior, went some way to from gaol in the past two years improving this situation in the (including the man accused of

These Bills form the bulk of the package which Mr. Demirel is now trying to pass. This package now includes a Bill to reorganise the police, one to limit demonstrations and an other to restrict the activities of Turkey's large associations of groups such as the teachers. But the Demirel Government also wants to introduce State security courts—special courts where the judges would be largely chosen by the Government, and where the rights of the defendants would be more limited.

It is strongly argued by liberals that many of these measures are dangerous and irrelevant. More important, they suggest, is to make existing laws work and to improve existing institutions.

There is much to support this argument-not least the fact that 3,056 prisoners escaped

his client in Ankara military prison, recently, the guards allowed him to be beaten up

by Right-wing prisoners. But, most important of all, is that the Government itself should be seen to be impartial. In the years 1975-77 Mr. Demirel had Mr. Turkes as his Deputy Prime Minister and allowed many NAP supporters to be State appointed to machinery.

Now. Mr. Demirel relies on Mr. Turkes's deputies to support his minority Governmen and, in turn, has again put some NAP men back in the ministries. It is a dangerous policy. In the short-term it allows Mr. Turkes to organise, and, in growing, to take votes from Mr. Demirel.

In the long term, it raises the question of how far Mr. Turkes will be able to go with the tactics outlined in a book he recommends to his followers, Mein Kampf.



Military patrols are now a common sight in the streets of Istanbul, Ankara and all major towns of Turkey

Smuggling is still big business

"GUN SMUGGLING is the twin in bond for a barrel of seawater tion. The police are often little cabinet minister attended the Minister of Interior—and both processed. brothers are doing well. With NAP's Deputy President, Mr. its long, lonely and unpatrolled the last government, since 1978 Sadi Somuncuoglu, as instruct. coastline and its remote 100,000 tons of processed steeling NAP workers at the time of mountain frontiers, Turkey is a smugglers' paradise. Its position in the Middle East makes chaos and unrest in your work it an important route, whether In this context the nephew of places. Otherwise this Govern- for the Kurds or the Turkic the present Prime Minister has ment will not fall. Whoever it minority in Iran, or for the Turks themselves.

profits from smuggling other entitled him to export rebates. countries' heroin being recycled Mr. Turkes recently wrote: to finance the purchase of guns. During the 22-month long In the past 15 years, 45,000 Ecevit era, four city presidents. rifles, 150,000 revolvers and 32m bullets have been seized to Turkey in 1977 and 88 tonnes supporters of the Nationalist by the Turkish authorities. This in 1978. Such volumes give an is only a fraction of the order of magnitude not far from

business in Turkey. Traders if he tries to protect himself and industrialists know the dustrialists and Businessmen's and his home against a robber price and the routes for bring. Association. who is trying to break into the ing a TIR lorryload of undeclared goods through the over from cigarettes as the Turkey's South East. Inevitably, the question of customs, for having a bulldozer major smuggled goods. The When one Mafia leader died, present Minister of Interior. But closing down the NAP has been delivered to their door, or for customs machinery seems in the son of an ex-President of Bulgaria, it seems, is only a

brother of enarchy," according which is then sent back; what better. Last month, for into Mr. Mustafa Gulcigil, the used to be in the barrel is stance, a security officer who

According to one Minister in a commodity in short supplyhad been brought into Turkey under the guise of scrap paper. been sentenced for exporting plywood and allegedly claiming But it is a deadly trade, with it was furniture and therefore

Gold, too, is smuggled in large quantities. Central Bank researches in Western Europe show that 110 tonnes were sent the \$400m estimates of yearly Smuggling has long been big contraband in this metal made by TUSIAD, the Turkish In-

These items have long taken

was about to be posted to the Directorate of Narcotics was arrested with a gang which were alleged to have 40 kilos of heroin.

'Turkish Mafia'

Complicating this picture is the role of "the Turkish Mafia." This is no offshoot of its Italian counterpart, but a homegrown plant of considerable vigour. It made its money from distributing the base morphine and heroin (which long originated from the poppy fields of Anatolia), from gambling, night clubs and property. It also has long acted as the main body in the arms trade. Its members have names such as "Freckled Mustafa" and "Kurd Mehmet" and are largely from the Laz population which inhabits the Pontus Mountains above the Black Sea of the Kurds from

raised. One public prosecutor switching a barrel of chemicals capable of controlling the situa- Turkey sent a wreath and a transit point for guns from

funeral.

A former Minister of Interior has accused political parties, unions and professional associations of involvement in the erms trade.

Traditionally, the arms have been imported for two purposes: for rural use and for crime. In some provinces it has long been almost a proof of manhood to carry a gun. Vendettas, particularly in the South East, were frequent. But, on the whole, guns were not used in the cities. Now, in the past four years 10.411 revolvers have seized by the police in 1,892 incidents. "We all want guns just for protection," one judge

The new elements are the extent of the trade and the degree to which the Turks are publicly demanding controls the countries through which the guns pass.

"Bulgaria is making a trade out of this," according to the When one Mafia leader died, present Minister of Interior. But

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PLESSEY and FLAT TRACTOR co-operation. HEMA acknow-

ledges the Companies listed for the Modern Machinery and

lar Belgium, Italy and Spain. Senator Hasan Fehmi Gunes, who was an effective Minister of Interior under Mr. Ecevit, puts the matter harder. He argues that it is not enough for arms factories unquestioningly to accept import licences from African countries but that, when making sales, they should

Czechoslovakia and in particu-

check that the sale is genuine. He names the Belgian Browning factory as a major source of the weapons in Turkey. He also objects to an alleged lack of attention paid by some Western chemical factories over raw materials used in morphine and heroin processing. The Belgian Ambassador to

Ankara has complained that offers of co-operation to prevent smuggling have received no answer from the Turks, But Senator Gunes does not seem impressed: "The West sees us as a country which exports nara question or two to ask them about gun smuggling, a trade which is just as lethal." D.T.

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Delicate line with the Soviets

AS FAR as Mr. Suleyman powerful card up Moscow's Demirel's Government is con-sleeve. cerned, the Soviet invasion of Afghanistan has brought an end to East-West detente and con-stitutes an event fortuitous in the sense that it may open the eyes of the West to two important factors: Turkey's vulnerability vis-a-vis the Soviet Union and its neglect by its NATO allies.

This is the gist of the message imparted by Ankara to its allies after the Soviets marched into Afghanistan, establishing a buffer between two of Turkey's allies—Iran and Pakistan. The Turks had more to say. They had no cards in their hands to play in the West's bid to make the Russians sorry for what they had done—no technology, no capital goods, no grain to sell or export credits to open. On the contrary, the Turks were the recipients of Soviet credits and crude oil to the tune of about 1m tonnes a year. Furthermore, Turkey did not wish to irritate the Soviet Union, with which it shares the Black Sea and 300 miles of

The thaw in Turkey's relations with the Soviet Union started about 13 years ago under Mr. Demirel. Over the years Russia became one of the biggest suppliers of project credits to Turkey. An oil refinery, iron and steel complex and an aluminium smelter are among projects completed with a \$1bn Soviet credit which the Turks are paying back in agri-cultural commodities. Last summer the Soviets agreed on projects requiring about \$4bn in foreign financing, including one of two nuclear power plants Turkey is planning to build. The Russians have also promised to assist the Turks in oil prospecting.

A joint dam is under con-struction on the border river of Arpacay from which farmers on both sides of the heavily fortified border will benefit for irrigation. In eastern Turkey many towns are benefiting from electricity transmitted from across the border.

Despite some reluctance on the part of Turkey, the improve-ment in economic relations, egged on by the exchange of top-level visits, was reinforced at the insistence of the Soviets in the political field. In 1978 the two historic enemies signed a "political document on friendly relations and co-opera-The document did not go much beyond recounting the principles of the Helsinki Accord but is a potentially

sleeve. Subsequently, detachments of the Soviet Navy paid a visit to Turkey and the Soviet Chief of Staff arrived, hinting that his country could sell arms to

Turkish relations is a considerable success for Moscow, the

reward of a consistent and prudent policy pursued over the past 15 years. In sharp contrast to Stalin, whose territorial demands scared Turkey into NATO, and the erratic Khruschev, the present leaders of the Kremlin tried to instil in Turkey a sense of security and assurance that

the Turks had nothing to fear from Russia. The generous inflow of aid and Turkey's improvement of relations with the Comecon countries was a part of this strategy. The Kremlin's aim was obviously to woo Turkey away from NATO and create a domestic atmosphere under which Leftwing currents in Turkey gained accelerating

Moscow has a number of supporters in Turkey which add up to a powerful Soviet lobby in NATO-member

The sizeable extreme Left-



wing minority in Mr. Bulent Ecevit's Social Republican People's Party, the main opposition, is pro-Moscow. DISK, the powerful Revolutionary Workers Confederation, is sometimes dominated by its pro-Moscow faction, as is the teachers' organisation TOBDER. Several of the small extreme Left-wing parties not represented in Parliament pay allegiance to Moscow, whose influence is quite considerable among many student and professional organisations, influential professors, journalists, writers and bureau-

Most of the Kurdish under ground organisations and a sizeable number of the proliferating Turkish terrorist factions are loyal to Russia and some probably receive aid from it.
All of these constitute a great

step forward for the Soviet Union in a country which only two decades ago was among the most stoutly anti-Communist in the world and where people could be arrested for ordering Russian salad! "But I am anti-Communist," protested a protested

th well-known 1950 anecdotes— at the police station. "I don't care what sort of a Communist you are," snarled back the policeman.

In retrospect it appears that Mr. Demirel took his estitions but unmistakable steps towards rapprochement with the Soviet Union with misgivings and under pressure of circumstances. He, like many Turks, was forming the opinion that the US, making its separate making it peace with the Soviet Union, could well leave Turkey on its own in the event of a possible Soviet invasion. Again like many Turks, he rejuctantly grew disenchanted with the West for the continual convulsions—many of which continue
—which disrupted Ankara's
relations with its allies.

The American arms embargo, which followed the Cyprus war of 1974, the indifference of NATO and the Common Market to Turkish demands and, finally, the West's rejuctance to bail the West's rejuctance to bail Turkey cout of its worst economic crisis heightened general distrust of and disappointment with the West. The feeling grew that detente had diminished the importance of Turkey in the eyes of the West. The logical conclusion was that Turkey should make its peace Turkey should make its peace with its northern neighbour and avoid being a target in a

nuclear shoot-out.

The extent to which events in Afghanistan will change the

West's attitude to Turkey and Turkey's attitude towards the Soviet Union is impossible to assess at this moment.

Certainly many Turks are vortied that what happened to Arghanistan may happen to Afghanistan may happen to them too. They are also deeply anxious that Iran may disintegrate, with the Kurds and the Azerbaijanis seceding to become Soviet satellites, creating dangers for Turkey's own integrity through the presence of the large Kurdish minority in eastern Turkey.

Buffer

These fears are somewhat appeased by the fact that in the last resort Turkey, commanding the strategic Bosphorus gateway between the Black Sea and the Mediterranesn and a buffer between the Soviet Union and the Arab oilfields, may be strategically too important for the West to relinquish. Strengthened once more too are the hopes that the West may be more forthcoming with mil-tary and economic assistance to halt Turkey's slow slide into

Mr. Demirel summed up the balancing required when he said in an interview: "I am trying to draw a line. It is a very delicate line. We don't want to create any problems that would irritate the Soviet Union."

M.M.

Nagging problem of the Kurds

TURKEY'S KURDS are once again causing unease, reflecting on the one hand a protest at their economic and social lot and on the other an attempt to use the general breakdown of law and order to push towards their dream of an independent

Kurdistan. There was a time when the Kurds were recognised as having a separate ethnic identity in Turkey. Indeed the 1920 Treaty of Sevres offered the Kurds a chance of independence, but what had been concluded with the Sultanate was thrown out of the window by Kemal Ataturk, and since then there has been a con-sistent policy of Turkification. Even so, Mr. Ismet Inonu, then

"For centuries the Turks and ledge the special identity of this the Kurds have been parts of a minority in such a way as to united whole. In the World War keep it within the State.

To add to this dismal picture is the fact that the Kurdish region receives only ten per as well as in the liberation war. the Kurds fought to their utmost." Their ironical reward and to be as neglected and sup-

nation in Turkey: the Turkish are content to be Turkish." He dismissed the Kurdish language as "a mixture of Persian, their uprising had been Turkish and Arabic, with only crushed. There were further 3,000 complete Kurdish words." Kurdish revolts in 1930 and For some time, 16 of the 18 predominantly Kurdish provinces in eastern Turkey have under martial law in an three main reasons why the

area which stretches in eastern Anatolia from Gaziantep in the west up to Kars in the north-east and shares borders with Soviet Union, Syria, Iraq

Fuelled

The militant opposition which Kurdish groups are conducting against the Government draws its strength from Kurdish nationalism, but is also fuelled by Turkey's economic problems. While the latter feature may have helped to radicalise the revolt, within the Kurdish ranks there is long-standing tribal feuding. The struggle has been further sharpened by an influx of arms over the last three years, a factor probably linked to Kurdish contacts with the Turkish Mafia, which is itself deeply involved in arms

smuggling.
The Kurds in Turkey have also been affected by Ayatollah Khomeiul's drive against their counterparts in Iran. Last autumn Turkish newspapers were reporting the recruitment of as many as 5,000 Kurds by underground Marxist organisations to help fight there. They reported, too, Turkish Govern-ment efforts to control the novement of Kurds into Iran. There have been signs also of self-assertion in public life. Last August two Rurdish deputies, Mr. Iskan Azizoglu and Mr. Nuretin Yumaz, threatened to withdraw support from Mr. Bulent Ecevit, who was at the kinne Prime Minister, unless Khomeini was denounced. Earlier in the spring, Mr. Serefettin Elci, the Minister of Public Works and a Kurd, by "There are Kurds in

Turkey and I am a Kurd," had

Kurdish nationalist. As in all countries there may also be and are various ethnic groups in Turkey. But the Turkish people are a whole, we reject any ethnic distinctions as a dividing element within the integral dividing

Tensions

The Kurds in Turkey, as elsewhere, pose a classical dilemma for the central government. On the one hand Ankara feels ill at ease about the loyalty of these people, largely Sunni Moslems, who at about 7m constitute about a sixth of the population and the largest Rurdish com-munity anywhere, When a country passes, as Turkey is, Turkey's chief delegate to the through a period of severe Lausanne Conference in 1923, economic and social strain, Lausanne Conference in 1923, economic and social strain, was able to remark: "The these tensions are inevitably government of the Great exacerbated. On the other hand National Assembly of Turkey is the central government should that of the Kurds as much as feel obliged, as Iraq has, to that of the Turks." He went on: make some gestures to acknow-

The Turkish Government has the whole taken harsh military and legal measures has been to be known unaffectionately as mountain Turks, the hand of Ataturk paralleled men and 91 per cent for and to be as neglected and supclosely that of the Islamic women — compared with the closely that of the Islamic pressed as their fellow com- clergy, for both were seen as a in neighbouring source of co-ordinated political
— mainly Iraq. Iran opposition. It is no coincidence that the

Mr. Nihat Erim, then Prime first major revolt was led by Minister, in May 1971 summed the Kurdish Sheikh Said of up the official attitude: "We Palu, the hereditary chief of the accept no other nation as living Nakshibendi dervishes, in in Turkey, only the Turks. As February 1925. It represented we see it there is only one a call to overthrow the godless republic and to restore the nation. All citizens living in Caliphate which Ataturk had different parts of the country abolished the year before. The are content to be Turkish." He Sheikh and 45 of his followers

been under martial law, in an three main reasons why the resurgence notionalism is in the end not likely to lead to a separate State being formed. First, as has shown, any government will take extreme measures to prevent this happening. On the day Mr. Demirel came to office in November the martial law commanders launched a 10-day security operation in south east Turkey aimed mainly at Leftwing secessionists, in particular the radical Apocus. During Mr. Ecevit's Government the Kurds had been handled with a slightly

more "smiling face." Secondly, it is hard to see how the Kurds themselves could be entirely successful in pressing for a separate State because of disunity within their ranks.

Thirdly, most countries in the region traditionally co-operate against the Kurds, Last April

there were significant reports that Turkey and Iraq-fearful of the spread of Kurdish natumalism—agreed to co-operate in operations against the Kurds in their border regions.

There is no disputing the severity with which Turkish law has dealy not the Kurds law has dealt with the Kurds Since 1924 the use of the Kurdish language has been prohibited, and even in August 1971 the singing of a Kurdish folksong and the possession of a record of it was used as the hasis of a prosecution. The wearing of Kurdish national dress is banned, as is the publication of anything in Kurdish or teaching in that language. It is thus not surprising that the feeling is rife as one Kurd put

it, that "the Kurds are colonised by the Turkish people."

The Kurds, in addition to their nationalism, have sound reasons for anger at being neglected by the central govern provoked Mr. Ecevit to retort: ment. Their eighteen provinces, "Elci was not saying he is a which include some 20,000

some of the harshest and most spectacular geographical regions in the country. Most provinces are dominated by bare mountains and plateaus several thousand feet up, and split by deep valleys and streams.

They contain, in the provinces of Diyarbakir and Siirt, the most productive of Turkey's meagre oilfields. The main occu pations are farming and animal bushandry, but it is an indica-tion of the tribal and feudal background that less than 3 per cent of the population own onethird of the arable land. With a population density of under 30 per square mile it is one of the most sparsely-populated areas in Turkey. Half the villages have only dirt roads and the rest what amounts to little more than goat paths. Less than half have piped drinking water and even fewer elec-

cent of public industrial investment and 3 per cent of private. The illiteracy rate runs at 77 overall national average of about 40 per cent. Both infant mortality and unemployment

are the highest in the country.

Deliberately or not, the plight of the Kurds is littleknown in the west of Turkey. Civil servants and professional men (there is one doctor for 10.000 people or one third of the national average) are reluctant to serve there.

The likelihood is that the

impoverishment of the region CONTINUED ON NEXT PAGE

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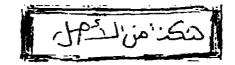
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Uneasy exchanges with Greece

THE GREEKS and Greek cussions of the Aegean affair which Mr. Eccyit had seemed Both sides pay lip service to is strongly against NATO.

Copyriots never had any faith in are indirectly threatening the to impart that year to attempts continuing the intercommunal. The heart of the problem of confidence of confid Mr. Bulent Ecevit. But if they are expecting any major policy changes from the Government Suleyman Demirel they ere likely to be disappointed. The Government programme

legs it out clearly. The problems with Greece are none of Turkey's doing. The Government will not relinquish its rights to the Aegean contimental skelf; cannot remain andifferent to Greece's fortification of the islands lining Turkey's coast; and is most sensitive about "the acts of oppression against the Turks of Western Thrace." Mr. Hayrettin Framen, the new Foreign Minister, is adamant: "Neither now nor in the future will we have concessions to make."

The Aegean dispute has the HEC anxious and NATO at its two Alliance members against each other. It is preventing the re-integration of Greece into the initiaty wing of the Alliance. Along with Cyprus, it is affecting the future of Western bases

future of U.S. bases in that country—just as the four-year U.S. arms embargo over Cyprus once led to the long closure of the U.S. bases in Turkey. Now Britain too is beginning to feel awkward.

President Spyros Kyprianou of Cyprus is shortly to visit London and repeat his Government's demands for compensation for services to the two British sovereign bases on the island; he is asking for about £75m to cover the past 15 years. Furthermore, he has been back-ing UN resolutions which now call not merely for the "demili-tarisation of the Republic of Cyprus" (which would exclude the sovereign base areas) but for the "demilitarisation of (and thus would also have British troops off the island).

Taking the problems, one by

President Carter's ability to persuade the U.S. Congress to lift the arms embargo in August, demand that a tighter federation In-Greece the domestic reper- 1978, reflected the impetus

to solve the dispute. Matters then lagged until May, 1979, when the leaders of the two Cypriot communities, Mr. Kyprianou and Mr. Rauf Denktas, agreed on a 10-point programme. But within weeks they were again at odds.

For seven months now they have been arguing over the Turkish side's demands that the new State should be a bizonal as well as a bicommunal federation. This would imply virtual partition and probably little chance of a return to their homes for one-third of the island's population who became refugees in 1974, with the partial but important exception of the Greek Cypriots who used to live in Varosha (old Famagusta). The Turkish side sees all this as essential for the security of its community and insists that on several important occasions the Greek Cypriots accepted this. But the Greek Cypriots say that bizonality and bicommunality are not included in the May, 1979, guidelines and

should be established.

talks but neither shows much real enthusiasm. Mr. Denktas has hinted that he might be pushed towards declaring north ern Cyprus and its 120,000 Turkish Cypriots (and 18,000-20,000 Turkish troops) as an independent State. But Ankara is unlikely to allow this. It has long opposed final partition of the island, fearing that this would lead to the Greek Cypriots feeling free to allow Greek forces on southern Cyprus, thus ex-tending the Greek encirclement of Turkey's coast. But conside in international fora have caused the Turks to say they are being driven to declare independence.

There has long been a tradition of half the year being spent in fencing over the intercommunal talks and half being spent waiting for or reacting to whatever the Greek Cypriots could achieve at international forums such as the UN. This autumn the UN General Assem-bly gave the Secretary General until March 31 to report on progress and in its absence allowed the President of the General Assembly to seek to create an international committee handle Cyprus.

For the Greek Cypriots this was a major step towards the possible introduction of sanctions against Turkey. For the Turkish side it was unwelcome. in part because it seemed one more reason why the intercommunal talks would not succeed.

THE AEGEAN

Few Western countries can see a method of cutting this Gordian knot. Yet worse, however, is the nexus of problems in the Aegean. These involve the seabed, territorial waters and airspace, as well as who should exercise civilian and military control over sea and air. The consequences of these difsure of Aegean airspace, the continuing suspension inputs from Greece to the NATO early warning system and failure to agree and on the terms under which

Greece can return to the military wing of NATO from which it withdrew in August 1974. This last point is important in that while the Government of Mr.

The heart of the problem is an issue of confidence. Greece fears that to allow the smallest zone of Turkish economic or political influence between its outlying islands and the Greek mainland could lead to the isolation and perhaps eventual loss of the islands. It seizes on the wilder utterances of Turkish politicians, just as Ankara used

to react to Greek talk of the Aegean as a "Greek lake."

For its part Turkey fears that Greece might use the islands to try and cut it off from the outside world and is using the islands in ways it should not—by fortifying some of them against international treaties and by using ownership of them to make inequitable claims on the continental shelf. The geologists' view that it is unlikely there are great quanti-ties of oil at stake has long become virtually irrelevant beside

the wider issues raised. The Turkish Government has decided to continue the dialogue between the Secretaries General of the two countries' Foreign Ministries, even if Mr. Erkman says of this that it is for Ministers and not for Secretaries General to make any accord.

The next such meeting is due shortly in Ankara. The continental shelf, the airspace and a possible political document are being treated as inter-related subjects on all of which joint agreement must be reached. On the continental shelf matters are to some extent going Turkey's way. The International Court of Justice decided in December 1978 that it had no jurisdiction on the matter. More important, at the present Law of the Sea Conference the interim composite negotiating text is less favourable to Greece than were the 1958 Law of the Sea conventions.

The Turks say that they would prefer to co-operate with Greece on sharing the resources of the ferences include Greece's clo- sea but will agree first to delimit the Aegean if necessary. They are adamant. however, that if Greece were to extend its territorial waters from six to 12 miles as the Greeks argue is international practice today this would be virtually a cause for war. Such a move would increase Greece's share of the Aegean from 35 to 64 per cent but more crucially would almost throttle Turkey's access to international waters.

Equally contentious is the air-

jections to the fact that Greece has established some control zones which are seen as " unique in the history of mankind some "curious" domestic corridors, including "Whisky 14" which runs down the Turkish coast from Kavala to Cos; some training areas in international airspace; and a national airspace larger than its territorial waters. Draft texts exist of a political

for both sides and Turkish ob-

document covering co-operation and friendly relations but for the time being it is hard to see this being signed, particularly given the bitterness which Mr. Karamanlis feels over Turkey's reactions to his proposals for Greece's return to NATO's military fold.

NATO

What has happened is that while the Turks are on record as wishing the early return of Greece they are also insisting that before this can happen agreement must be reached on the division of command and control in the Aegean. Turkish objections to this division existed even before 1974. The tensions between Greece and Turkey have it more important these differences be made resolved in a spirit of coopera-

Before 1974 Greece had naval responsibility for the Aegean and Ionian Seas and Turkey for the Black Sea and Eastern Mediterranean. In the air the Greeks dealt with all air space west of the median line between the Greek and Turkish main lands and the Turks with all east of this line—though in 1964 Greece announced that it was pushing that line to the east of its Aegean islands. All these arrangements were accepted by the Military Committee but in strict sense were de facto in that they had never been approved by the NATO Council. Turkey had long objected to the naval arrange-

The Greeks insist that the pre-1974 arrangements should be recognised as legal or as an interim arrangement which could be renegotiated once Greece is fully back in the Alliance. But the Turks have now been dealt the power of veto by the Greeks-and are prepared to use it.

Their view is simple. They do not believe that a problem Alliance. They are not prepared formally to recognise claims and interim military arrangements which they had not previously recognised, par-ticularly when in their view Greece seems to them

Aediterranean Sea

BULGARIA

use these arrangements further other claims in the Aegean. In addition, they point out that the Izmir command post, Land South East, is no longer commanded by a U.S. general with operational command of both the Greek and Turkish forces.

Instead, Izmir has changed function so that it is now under a Turkish general and has operational command only of parallel post proposed by the Greeks would be different in that while the Turks have delegated command and control of their forces to NATO the Greeks have delegated command but wish to keep operational control. The Greek proposals for

NATO's attempts to solve this problem have raised the hackles both officials and the public in Greece. For a sea with 2,316 islands the suggestion that each country should control its national airspace and that control over international airspace should be co-ordinated through which could not be solved in Naples Is seen as hopelessly five years will easily be solved impractical. Nor are the Greeks once Greece is back in the happy at NATO suggestions that Naples is seen as hopelessly impractical. Nor are the Greeks

than they had before 1974.

should reduce national airspace limits from 10 to six miles beyond islands. The Greeks also have reservations that naval matters could be resolved by introducing task forces-groups of ships from different countries under the

command of senior officers, who could be Turks. General Bernard Rogers Supreme Allied Commander Europe has so far failed-like his predecessor, General Alexander Haig-to bridge the gap.

All in all it is something of a can of worms. Cyprus and years of detente have caused the two putative allies to be much more worried about each other than Turkish forces. However, the about threats from the north. It is possible that Afghanistan

might change this and, two weeks ago, General Rogers for the first time expressed optimism about the chances of what he called "a good solution." The appointment of a new

Greek Chief of Staff and the return would thus in some advent to power of a fresh govsenses give them greater rights ernment in Ankara mean that at least some of the actors in this drama are fresh. Nonetheless, the Aegean remains a prob-lem. Conflicting perceptions of national security—and, in Greece's case, pride coupled with fear of a jingoistic opposition-dominate. But tension is less acute than three years ago and, for the moment at least, hostilities are hard to imagine.

Kurds

CONTINUED FROM PREVIOUS PAGE

is growing too, because inves- cultural repression. In 1971 it cratic rights of the Kurds tors and the educated youth was banned for a period as a But the organisation which is have moved westwards where result of the preparation of re-drawing the greatest attention the opportunities are far more ports on military oppression and is the Apocus. It was estab-abundant. This helps to torture, and after mounting lished in 1975 and was so called account for the fact that 30 per cont of the arable land in the east is owned by absentee land-

Politically there has been a interation of parties and inisations, all with the ultiin aim of wanting to Out of a total of about ince are registered as asso-

ations and the rest are under-The associations are 'erated as long as separatism' is not advertised. The first is TOK-DER (the Anti-Colonia-Culture Democratic Organisation), which has many branches in the Kurdish pro-

The other two are the DHKD tionary Culture Association), Constitutional Court for adoptwhich was formed to counter ing a resolution on the demo-

campáigns against illiteracy. These two follow approximately the same pro-Moscow political line, and in arguing for a Kurdish State see it as part of a broader proletarian revolution, as a result of which the Kurdish people would attain

"cultural_autonomy."

The underground movements -nearly all Leftist in political thinking - have been identified as Rizgari; meaning liberation in Kurdish, Kawa, named after a legendary Kurdish hero, and the KUK (Liberation of the Kurdish Nation). In addition, there is the Kurdish Democratic Party (KDP), set up illegally in 1967 and with links with KDPs in other countries. (The People's Revolutionary The KDP was allied to the Culture Association), and the Turkish Labour Party, which DDKD (The Eastern Revolu- was closed in July 1971 by the

lished in 1975 and was so called ' Apo "

after Aptullah Ocalan, known as or uncle. It bases its drive for Kurdish independence on armed struggle. The city of Diyarbakir is not only considered by Kurds as the poli-tical capital of "Kurdistan" but is also the site of a sensitive electronic surveillance complex for tracking Soviet missile launches from test sites. More than 150 people have died in one town in the last six

It is clear that the Turkish Government is at present in no position to begin to satisfy Kurdish political and economic demands. Nevertheless, it does seem able to contain this situation and the chances of the Kurds obtaining some real autonomy are remote unless the unlikely occurs-total disorder on the scale of events in Iran.

Constantine Karamanlis is keen to mend Greece's defence links with the West, the opposition Anthony McDermott led by Mr. Andreas Papandreou space, with problems of security

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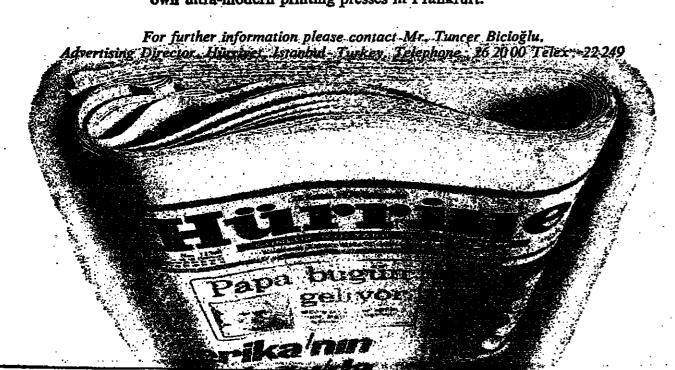
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TURKEY VIII

Islamic nation held by a secular framework

AFTER Ayatollah Khomeini's overthrow of the Shah of Iran, and the continuing unrest, both there and in other Moslem States, it has become fashionable to attempt to spot the next country to experience the con-vulsions of a resurgent and militant Islam.

Turkey, where 98 per cent of its population are followers of Islam, would appear to be a ripe candidate. The warning by the leaders of the armed forces to the politicians to work more constructively together might suggest that the democratic system is breaking down.

The economy has deteriorated seriously — leaving millions in wintertime without heat or light. There has been social dislocation through the familiar pattern of people leaving the countryside for the cities - only to find unemployment or to join shanty

Ataturk made it a priority to bring the clergy under govern-ment control. These factors elsewhere should result in people turning to Islam as a relief and for guidance, with the sub-sequent risk that this could become an emotional political force beyond political force beyond the control of parties, or even the armed forces. In Turkey, it has not, and remains unlikely to do

The main responsibility for this lies with Ataturk, the founder of modern Turkey. Between 1924 and 1928, he laid the foundations for the constitutional secularisation of Turkey in an uncompromising and ex-tensive way. To many, it was not "secularisation" as much as the irreligious suppression of

Confront ·

Ataturk, recognising, in fact, the political power of religion decided first to confront and disestablish it, both on the more formal levels and where it found popular and mystical expression through the dervish orders, and then ultimately to attempt to "bureaucratise Islam. "Secularism" was, i fact, one of what is known as the Six Arrows of Kemalism.

There were foreign political considerations which Ataturk had to take into account. The abolition of the Caliphate in 1924 symbolised his desire that Turkey should divest itself of the Ottoman Empire, and once this had been done the religious powers and symbolism of that position had logically to be transferred elsewhere.

He believed, too, that the West could only be met on equal terms eventually with the deep westernisation of Turkey. He was mindful also that Britain and France were able in the Arab world to exploit Islam for their own imperial ends. As a result, he wanted Turkey's religion at home to be as near as possible under central control.

The assault was comprehensive. The abolition of the Caliphate was followed by that of the Seriof, Holy Law. replaced in 1926 by a civil code adapted from the Swiss version. The vakif or pious endow-

ments were nationalised. The Arabic script was romanised, thereby controversially breaking a link with the sanctity of the Koran's script. The Gregorian calendar was adopted. The wearing of the fez was abolished. The whole religious hierarchy from the conduct of services to religious education was brought under the control of the State. In April, 1928, the clause "the religion of the Turkish State is Islam" was removed from the 1924 constitution, and today the republic is characterised as "secular." The principle of upholding secular-ism has been enshrined in law. Indeed, the National Order Party, a pro-Islamic organisa-tion founded in 1970 by Pro-fessor Necmettin Erbakan and the forerunner of the present

National Salvation Party (NSP),

was the following year banned by the Constitutional Court for

anti-secular " activities. Doctrines

The semi-secret and mystical tarikats or brotherhoods—the Mevlevis, Naksibendis, and Bektasis mainly—did not escape Ataturk's attentions. These brotherhoods, as elsewhere in the Islamic world, provided a valuable and popular outlet for people when orthodox Islam appeared too rigid or deficient in leadership. Their doctrines varied between being close to orthodox Suni Islam and containing traits of unorthodox Shi'ite Islam, Christianity and residual paganism. They draw their support from differing urban and rural parts of Turkey. In November, 1925, laws were passed aimed at dissolving the tarikats: they were banned and their schools, meeting places (the tekkes) and shrines closed. Their assets were impounded and their ceremonies prohibited. In the short term, one of the effects of these measures was to strengthen popular Islam which carried on in sub rosa fashion. But, by and large, this legal surgery has been largely successful in neutralising Islam as a political force today. This has been helped by the fact that, whatever its weaknesses, Turkey's multi-party political system provides an outlet which

This is further underlined by the Islam-orientated NSP's comparatively weak showing in the While the mevlevis are per-

What has undoubtedly changed little over the years is the Since the 1950s, two new matic ties with Israel, but has general level of piety. About tarikat have emerged: the also attempted to move closer two-thirds of Turkey's Moslems Suleimancis (named after its to the Arab and Islamic worlds, are Sunnis, the orthodox sect of founder Suleyman Hilmi The opening of the office of Islam, and the rest are mainly Alevis of the unorthodox Shi'ite

Shi'ism is the predominant preserved more of the purely Turkish folk literature and music and have also been more receptive to some aspects of Shamanism, the original religion of central Asian tribes, the

At the same time, the two sects are politically and economically divided. The Sunnis have long been dominant in economic and political terms, and have tended towards con-servatism. The Alevis, generally poorer and often dis-possessed, have been more open to radical ideas. Put simplistically, they used to divide between the Justice Party of Mr. Suleyman Demirel and the Republican People's Party of Mr. Bulent Ecevit.

But in the past two years propaganda, particularly by the right-wing Nationalist Action Party, has led to increasing tension between the sects. This tension has now become so severe that there have been frequent clashes. The worst of these was in December 1978. when more than 100 people were killed in Kahramanmaras, in south eastern Turkey, causing martial law to be introduced. What is happening is that

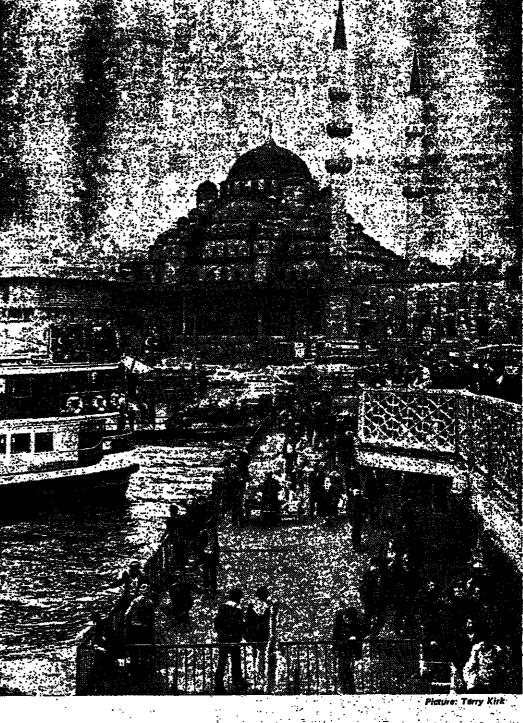
Islam's profile in Turkey is now slightly higher than before. This is a feature which has run in cycles. At the beginning of 1949, for example, religious education was re-introduced into schools and it was per-missible again to make the call to prayer in Arabic, after a 17-During the following decade,

which coincided with the domination of the Democratic Party, (dissolved by the Military in 1960 and an antecedent of today's Justice Party), attendance in the mosques rose, and more beards and bereis (a means of evading the ban on religious clothing) were to be seen in the streets.

Today, such similar phenomena are visible, and religious festivals are regularly shown on television. Politicians pay conscious lip-service to Islam

while canvassing for elections. Between 1963 and 1977, the number of religious schools rose seven-fold-from 45 to 320; the number of students 12-fold from 9,284 to 111,741; and the num-

fold from 484 to 3,852. Much of



Around 98 per cent of the population of Turkey are followers of Islam. Above: the new mosque at Eminoru and the Galata Bridge, Istanbul

1973 and 1977 elections, where it obtained, respectively, 11.8 per cent and 8.5 per cent of the tourist attraction), they and the strict control of) the State. other brotherhoods continue to operate unofficially.

Suleyman Hilmi lowers of Said Nursi, who died

Both are openly religious and sect in neighbouring Iran. In more politically involved than general, while the Alevis have the other terikats. The Nurcus had a role in setting up the NSP and give support to the

Appointees

Sunnis have been more open to
the artistic and linguistic influis heavily bureaucratised. There ences of other Islamic countries.

The more formal side of Islam is heavily bureaucratised. There ences of other Islamic countries. tially, prayer leaders) in the country and above them for the sub-provinces and 67 provinces about 1,500 muftis—all Government appointees.

Such is the inability of the clergy to link together-and, in theory, present a united political front—that they took a decade to organise a Higher Religious Council, the only body to which they were permitted elections.

The religious schools—Imam
Hatip Okullari (high schools)
and Yuksek—Islam Enstituleri

(high Islamic institutes)—for producing clergy are under the authority of the Ministry of Education. A school of theology also exists in Ankara University. The two most senior religious offices are the Presidency for Religious Affairs and the Direc-

torate General of Pious Foundations (Vakif). Both are attached to the Prime Minister's office, and directly controlled by a Minister of State. The former religious office makes appoint

is exceptional among other pre- this can be attributed to the ments and vets sermons, and the dominantly Moslem countries. NSP which participated in latter administers and maintains ings taken over by the State. Religion, or at least a major mitted to perform their tradi-tional dance in public (as a bound up with (but under the

On the international scene, Turkey has preserved its diplo-

The opening of the office of Tunaha) and the Nurcus (fol-the Palestine Liberation Organisation in Ankara is a symptom of this. Since the 1960s it has been sending observers to Islamic Conferences.

was not until it was itself host to the Seventh Islamic Conference in Istanbul in 1976 that it announced its membership of that organisation. It has since attended the conference in 1978 in Dakar, and last year in Fez.

Professor Bernard Lewis in The Emergence of Modern Turkey has observed that "the ultimate identity of Turk and Muslim in Turkey is still un-changed." This is true, but it is also an indication of Turkey's essential self-confidence that Pope John-Paul II was received last November at a time which might have seemed ill-judged: (Mr. Erbakan's objections were

ignored.)

For the Turks, unlike any other country in the area, with the possible exception of Egypt. have a sense of separate and special identity.

As a result of the Ottoman

Empire, they have too a feeling for their own continuous history. When these factors are taken with Ataturk's changes and a long-established bureaucracy, it seems unlikely that the constitutional secular form of changed by Islamic movements. even if their visible features may become more apparent

Anthony McDermott

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Serious problems on energy supplies

AT THE heart of Turkey's been slow to grasp that the nationalise all natural resources conduit problems is its energy country's oil reserves and their (a move now being unprogramme. It is perhaps even ability to meet even a significant scrambled)—has fallen, so that fattering to call it that, because proportion of demand was it is reckoned that while some dithough some long-term plans gradually declining (the per-lave been drawn up and, in formance during 1979 has been 1977; the Ministry of Energy exceptional and imposed by sublished a compendium of the foreign exchange shortages and ounity's natural resources, ifficials admit they still have no lear idea of their full extent. Ville this inevitably leaves goom for optimism, the fact-emains that, at present, durkey's energy, supplies are

passe: Tosition or being a leveloping country which pro-luces little of its own oil (see able). It has been grievously it by the rise in oil prices, For rample, the Central Bank stimates that maximum exports ris year will total \$3.5bn—the ame as conservative assessgents of the cost of oil and proucts' imports. During last ecember, while such imports ere costing \$60m a week, at ne stage the Gentral Bank had nly \$20m available.

Tustad, the equivalent of the confederation of British and astry, has calculated that tween 1974 and 1978, Turkey ad to pay an additional \$3.8bn or oil imports as a result of oil

At the same time, it is clear by uncertainty because of the that the gap will continue to hat Turkey's planners have Ecevit Government's decision to widen, if only marginally.

Turkish Companies

Mobil and Dorchester

Shell

Deficit

Imports (B)

A' % of 'A'+'B'

Percentage of all imports

* Both crude oil and products (\$m).

a marked slowdown in domestic economic activity). Inadequate provision has been made for switching away from oil-powered thermal plants, for increasing coal production or for using hydro-electrical potential more

This is not all Turkey's fault. As a result, mose community for it is in the unerviable but Turkey's energy policies have been driven increasingly into a been driven increasingly into a spiral of working almost on a day-to-day basis.

Power cuts

Thus, power cuts have risen to about nine hours a day in Istanbul and Ankara and elsewhere average about four hours. In December, for example, as a result of the reduction in power only 19 of Turkey's 32 cement Some schools were closed for lack of heating oil. Favourite television programmes could not watched. Butchers, bakers and hairdressers had their work hampered. Domestic heaters, even if fuel was available, could not work during blackouts,

3.699

1.213.188 1.376.500

991,100

991,100

1.733,000

8,037,900

433,474

7.203

440,677

597,642

173,415

771,057

1,211,734

1.101.600 1.030.100 1.070.117

13.200

301,800

1,555,700

1.102

8,627,700

1.114.300

1,981,200

1,628,900 1,250,100

1.049.200 1.073,816

3,095,500 2,595,300 2,713,036 2,724,100

5.5m tonnes were required for the winter period, only 1.5m tonnes are available. In any case coal distribution has been badly held up by oil shortages.

Electricity production has not been keeping pace with demand, even though per caput consumption has been rising more slowly. Part of this must reflect the fact that during the 1973-77 plan the production of primary energy resources should have reached TL 37.2bn (\$0.8bn), but in fact totalled TL 33.4bn (\$0.7bn), a shortfall of over on average by 13.8 per cent annually from 18,245 Gwh (Gwh=1m kWh) to 22,150 Gwh,

The State Planning Organisa- market. tion (SPO) estimated that foreign electrical production for 1979 which c would reach 24,175 Gwh, but according to Mr. Esat Kirat-lioglu, the Energy Minister, it Demirel will reach 23,500 Gwh, and even pledged n that represents a shortfall of 2.000 Gwh; 1980's demand will

OIL PRODUCTION, IMPORTS, CONSUMPTION AND COSTS closed). Jan.-June Jan.-June 1978 1979

572,181 +32

572,181 +29.8

4,264,603 2,305,691 -45.9

723,564 +21.1 153,448 - 13.2877,012 +13.7 1,449,193 +19.6 9,634,000 11,223,000 11,750,000 10,762,000 5,476,337 3,754,884 -31.4 to slow demand.

> petroleum products provided 43.8 per cent of the country's energy resources, they still provided last year 50.7 per cent. Over the same period, the contribution of lignite (brown coal), whose reserves are put at

In the longer term, the projected demand for the year 2000 is 200,000 Gwh. At that stage about Turkey's ability to meet this, for with 1979 an exceptional year, in which both oil imports at about 8.5m tonnes (170,000 b/d) and local produc-tion at 2.3m tonnes (46,000 b/d) were down, the trend has been towards increasing dependence

on oil for energy. The drain on Turkey's resources through the cost of importing crude oil and pro-ducts has been dramatic. In 1973, oil imports cost \$218m accounting for 10.4 per cent of all imports and were the equiva-10 per cent. Between 1976 and lent of 16.5 per cent of exports. 1978, electricity production rose By 1978, they cost \$1.39bn and this took 30.2 per cent of imports and were the equivalent of 60.7 per cent of exports. Last while per caput consumption year's imports cost \$2.5bn, and rose by 10 per cent from 443 part of the reason for this rise kWh to 510 kWh (with a notable was a result of Turkey being slowdown in 1978 with consump- forced to buy up to 20 per cent tion rising a mere 0.6 per cent). of its supplies on the spot The reasons were exchange shortages which caused some supplies to be halted, and Iran's supplies drastically. Government pledged not to buy on the spot market this year, for the 14m tonnes (280,000 b/d) it will

ot work during blackouts. rise to 27,300 Gwh, but product require. In the short term, it Coal production—already hit tion to 25,120 Gwh, meaning may have started well with the conclusion in December with Saudi Arabia for the supply of 6m tonnes (120,000 b/d) for this year (concessional terms were sought, but so far the details of the crucial aspect of financing have not been dis-

> It is hard for Turkey to reduce its dependence on oil, for it is reckoned that fourfifths of its consumption goes to industry, thermal power plants and commercial transport. Pump prices of premium petrol were raised last June by 26.4 per cent to TL 31,658 per tonne, and regular by 30.8 per cent to TL 28,582 per tonne, and further increases are contemplated

Nevertheless, while in 1974



One aspect of the energy crisis in Turkey—a two-mile queve of vehicles at a petrol station in Istanbul

5.9hn tonnes, has risen over the same period only from 9.9 per

resource contribution to Turkey's energy needs has doubled, but last year it was still only providing 7 per cent. In a paper presented to the 10th World Energy Conference, these resources were estimated at 72,407 Gwh, or nearly three times existing demand. But installed capacity is currently put at 16,670 Gwh. the State

Furthermore, the State Waterworks (DSI) has reckoned that to reach the full potential 500 dams and 350 hydro-electric plants would be needed-about 20 times more than there are in operation today.

Remote target

Given these calculations and restraints, the target of 200,000 Gwh at the end of the century somewhat remote. Kiratlioglu, however, maintains that it can be met and optimiswater forecasting tically resources providing Gwh, coal 60.000 Gwh, and oil 5,000 Gwh—leaving a gap of 55,000 Gwh to filled mainly by nuclear energy, and possibly solar power.

Tow reactors have been contemplated—one of 600 MW near. Akkuyu in south Turkey, but financing problems for the Swedish company ASEA-ATOM. have been encountered and a second of 1,000 to be constructed with Soviet help. Little progress has been made in negotiations on this latter

small.

probably most rigid and optimistic about domestic oil most rigid and Perhaps the most under-used half of the country's necus, one esource is hydro-electric today it provides about one today vears, its fifth. The Turkish Petroleum production. In 1970, it provided Authorities (TPAO), virtually the only company doing any today, optimistic that oil will be found in commercial quantities, but the foreign oil companies, which produce over half of Turkey's oil, are scepticalmainly hecause the fractured geophysical structures of the chief fields in eastern Turkey mean that the reservoirs are

> Furthermore. Shell maintains that it is a sign of these fields ageing that about half the liquid they produce is water when pumping oil.

> The Turkish Government is trying to encourage more foreign participation, by raising -subject to uncompleted negotiations with the oil companies—the price of oil produced since the beginning of last year from \$5.21 a barrel to 75 per cent of Saudi marker crude.

> In addition, the Demirel Government has indicated that it will support private and foreign companies wanting to invest in exploration. So far only a small U.S. company, Hermes, alone and in conjunction with the Turkish holding group Koc, and a Swedish com pany have shown interest.

The fact remains that Turkey is likely always to be on the very margins of international companies' interests, even with raised prices and a receptive Turkey's energy officials are government. The experience of

some of the companies already in the country have not helped. For example, Mobil and BP (respectively 51 and 17 per cent participants along with Shell 27 per cent and Maramara 5 in the Atas refinery) have been negotiating for back payments of about \$140m and \$30m respectively for oil imported for the refinery. As a result, they have neither imported oil for that end since March 1978, and the 4.4m tonne refinery is running at about half capacity. (The three other refineries at Batman, Ipras and Izmir with a total capacity of over 12m tonnes/year have fluctuated in production rates, currently running at between 70

and 80 per cent) Depressing

But perhaps the most depressprogramme is the Afsin-Elbistan ing aspect of Turkey's energy thermal power plant in south Turkey. Its current plight contains all the elements of Turkey's self-inflicted imported problems. This project, now costing about \$1.5bn, should be the cornerstone of energy supplies. It will be the largest lignite-fired plant of its type in the world, with the added advantage of being close to huge lignite resources. When it finally comes on stream, it could provide about one-quarter of Turkey's needs.

But the problems have been endless. The first of the four 320 MW turbines should have been on stream in 1977, but now this is unlikely to happen before 1984. The fourth will come on stream by sometime between 1998 and 2002. Consultants

reckon that the four turbines will never all be running at the same time or at full capacity not because of the load-bearing capacity of the transmission lines but because of the local technical expertise is not avail-Furthermore, work elsewhere once their training period has ended, reluctant

to remain sited at Afsin. As a result of the delays, and of devaluations of the Turkish lira, costs, according to the SPO, have risen by two-thirds since 1972. Other aspects are held up because the Turkish Electrical Authority (TEK), which is carrying out the project with Foster Wheeler and West German companies, owes about 300m TL (\$6.4m) to various contractors.

Almost half the 107 expatriates on the staff have left because of terrorism on the site, the theft of equipment and despair at the low standard of some of the civil work.

Finally, the Turkish Coal Board (TKI) has not yet finished a study on the supply of lignite to the plant. It is supposed to supply tonnes/year and, according to the SPO, by the end of last year 225 draining wells should have been drilled. In fact, only 149 have been completed and bids for equipment could not be finalised because of a foreign exchange shortage. And the depressing difficulty with this set of particular problems, such as Turkey's energy problems as a whole, is that it is hard to see how the vicious circle can be

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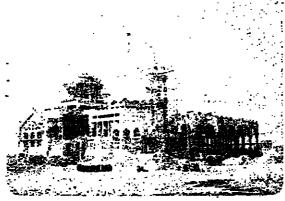


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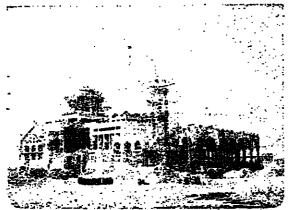
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The problems of an emigrant

ELEVEN-YEAR-OLD Beykoz lives with her parents and two sisters in a two-room tenement flat in "Little Ankara," the borough of Kreuzberg where every fifth Berliner is a Turk. She is the only one in her family able to converse in German. Her father, Osman, works as a gardener for the city and her mother, Ayten, is employed in the winding shop of a large Berlin electrical engineering

Aynu's family has lived in Berlin for nine years, six of them in a building which, years ago, was declared unfit for habitation by the city, but which now houses a dozen Turkish families. They live less than a kilometre from the Berlin Wall in what, in effect, is a Turkish buffer zone between the Germans in East and West Berlin.

West Berlin already has the fourth largest Turkish popula-tion of any city, nearly 100,000 and, although Turkish Gastarbeiter are no longer permitted to enter West Germany, their numbers continue to grow with the arrival of family members from Turkey.

The heart of many a Prussian housewife would be warmed by the painstaking cleanliness of the Beykoz flat which, like most Turkish dwellings in Germany, belies the popular myth of squalor. Much is contradictory in the relationship between Turks and Germans, with the average Turk holding Germany —and the Germans—in high regard while the Turk is seen as "just good enough to sweep the streets of German cities."

Home facilities

The Beykoz flat is oven-heated and the lavatory is down a flight of stairs. Only one in 100 Turkish Gastarbeiter has central heating, only one in 15 has a bathroom and only every third Turkish family has a lavatory in their flat. This section of Berlin was inhabited by Polish immigrants before the First World

Unlike the Poles, though, the Turks in Berlin are ambivalent about their future here. Osman says the family will return to their village in Anatolia "in the next few years." But Anyu says she wants to remain in Berlin which is home to her. She has not seen her native country since she was brought to Germany at the age of two.

Osman Beykoz earns DM 1.850 and his wife DM 1,600 a month. They pay DM 285 a month rent and only recently the parents rejected the offer of a flat in a would have cost an added DM 75 their Turkish employees. a_month, plus heating costs.

tives in the village. hard, he is "close to growing people, are often strained and things" and says he feels less the words "camel drivers" weary than his wife who works in the constant din of the wind- heard. ing shop. Ayten Beykoz earns nearly half the family's income, leaves the area in which they should leave school to help her but she has virtually no say in live and work and only once how it is spent. However, she does not show any resentment the lakes on the outskirts of and says that her husband is West Berlin. They have never good to his children and their families in Turkey.

Both husband and wife are regarded as " willing and industrious" by their employers but which is much cheaper than in they are said to be more difficult to approach than family enjoys because, as spanish, Greek or Yugoslav says, a "man in a black suit the large comserves us the food." Once, Anyu AEG-Telefunken which offer all alone to the fashionable



IT IS the emigrant workers who have kept the Turkish economy turning over during the past two years of crisis. More money is remitted to Turkey by the 700,000 workers in Western Europe than is earned by exports. Their savings are equivalent to at least four times the \$1bn which Turkey claims as its reserves.

But a flourishing black market means that only one-third and one-half of remittances go through official hannels. In the first 10 months of last year these remittances totalled \$1.5bn.

Between 1961, when Turkey began exporting workers to Western Europe, and 1978, an estimated 840,000 workers were sent abroad. Most of these were before the 1973 oil crisis, since when recruitment has virtually come to a halt. In 1977 an estimated 72 per

cent of the 1.6m Turkish workers and their dependents abroad were in Germany where they form the largest group of foreign workers. Saudi Arabia, Libya and Kuwait have recently become important destinations for emigrants. There is a growing number

of industrial projects in Turkey financed by Turkish workers' savings. Surveys of Turkish emigrant workers have found a number of disquieting features. Many workers returned less qualified than when they set off. They were often employed in menial jobs, rarely learning a fresh skill and frequently not even using the skills they had. Employers in Torkey have tended to be reluctant to those who have worked abroad

of their workplaces. Further, emigration has tended to accentuate regional disparities. Most emigrants have come from the richer areas and have tended to be the better-off members of the community even before they started.

Emigrants have tended to stay abroad. A survey of one area found that only one in eight of those who had found jobs abroad had returned. Undoubtedly, the workers attitudes, whether in their approach to women or such issues as family planing—but only to a relatively small extent. Furthermore, since they often return to cities rather than to the villages. from which they originated, but now find restrictive, their influence on the countryside is often limited.

German language classes to West Berlin suburb of Dahlem their foreign workers, say there and walked through the streets same games." Another boy says modern high-rise building that is hardly any response from

Osman and Avten comment they generally get along remits DM 1,000 a month to his with the Germans at work who father and father-in-law in Tur- are mainly their superiors, key, which goes a long way while their fellow workers are toward supporting 18 close rela-nearly all foreigners. Relationships with Germans in the Although Osman's work is neighbourhood, mainly elderly directed at them are often

> The Beykoz family rarely did they make an excursion to been to West Germany, but they cross over into East Berlin every few months to have a large meal in a restaurant

with their fine homes and wellthere were the cleaning women,

developed higher expectations

is strict with the Osman children, insisting they take part in language and religious instruction given by the Turkish Consulate. Some of the children are beaten by the mullah who has hung a picture of the Ayatollah Khomeini in the classroom. By the time Anyu is 15, Osman thinks she will have had enough learning and mother with the housework.

Anyu's class at school is made up almost entirely of Turkish children and she says it is much better to be in a class with German children as they "do German children as they more things and visit different places." German teachers conbetter when they are together with German pupils.

that, although they come from than many Turkish workers

another country, "we play the when his parents send him to dressed people. The only Turks the market to buy something they always refer to it derisively of the many Turks who shop.

Girls sent home

Aynu says she knows of several teenage Turkish girls who were sent back to Turkey by their fathers and were very unhappy there and could speak no Turkish. They had expressed the wish to learn a trade and. in one case, the German authorities had to step in to prevent an 18-year-old Turkish girl from being sent back because she had a German boyfriend.

Osman regularly reads the Turkish newspaper, Tercuman, which is flown in from Istanbul firm that Turkish children learn and has pages with contributions from Turkish correspondents in Berlin, Cologne, Frank-One German child says the furt and the other cities with Turkish children with whom he Turkish Gastarbeiter. He knows attends school are "OK" and more about German politics

and is able to identify Herr Schmidt as Chancellor and the existence of two major parties,

However, he is far more in terested in the political prob-iems of Turkey and, more than with any of the other groups of Gastarbeiter in Germany, the homeland's political strife is reflected among the Turks here. One-Turkish resident of Kreuzberg speaks with fear in his eyes of the "grey wolves" who, he says, were responsible for driving him out of the barbershop he owned in Turkey and who have continued to threaten him in Berlin, Recently, bends of fanaticised Right-wing Turks descended on Leftist countrymen and killed one man handing out leastets warning against a military takeover in Turkey.

Neither Osman nor any of the other adult Turks one meets in Berlin say they would ever consider becoming German citizens, although he could take out citizenship next year after living in Germany for ten years. Aynu, however, says she would not mind being a "Deutsche Frau" one day, although she would like to retain her Turkish citzenship. A Bill allowing Turks to hold dual nationality has long been bogged down in the

Turkish parliament. Until now, West Germany has not regarded itself : of immigration, and West Berlin has broken ground by becoming the first German city to launch a major programme to integrate the large number of foreigners. The effort comes none too soon, since there are forecasts of a social upheaval in West Germany's citles when Aynu and other Turkish children swarm on to the West German job market without adequate education - and with far higher aspirations than their parents.

For walled in West Berlin, the growth of the Turkish population is proving to be an important factor, as the Germans are declining in numbers. If the present trend continues, the Turks will save West Berlin from a sharp decline in population - and perhaps even create. the largest Muslim city in central Europe.

up in violence in the lutine," one DISK official says angrily. "The Government is inviting

this by denying our members

any legal channel for their com-plaints." The official states that 50 members of DISK have been

shot dead by opponents in the

In 1978 the Ecevit Govern

Leslie Collett

Conflicts in labour relations

involved a slump in real earnreverse this as the major 24month wage contracts are renegotiated. But it promises to 1979. be a messy affair.

tant metal workers' union, shows the strength of beliefs that the workers' problems are not merely economic: "We are preparing for a great struggle against intense exploitation by the monopolies," says the union. "The struggle is not separate from the struggle against imperialism and fascism."

DISK, the left-wing union confederation which is the leading grouping in private sector fac-tories and says it is a class organisation aiming to bring oclalism, also warns that sacrifices may be imposed by force. The Government's attempts to tighten workers' belts in accordnce with IMF prescriptions will lead to an attack on union rights freedoms, it warned recently.

Labour relations have become a political minefield, but there are solid economic reasons for this. Unemployment is high, exceeding 20 per cent of the labour force in urban areas. And job offers are few. When the PTT, the Turkish Post Office, recently advertised 125 jobs it had 2,800 applicants.

Further, for all the muchpublicised large wage increases. earnings have lagged far behind prices. Some senior Government advisers question this fact, but none the less statistics put out by one pensions

Turkey for both workers and the basis of 1963 as 100, they employers—with the threat of show that real earnings fell 14 worse to come. Austerity has per cent to 97.3 in the martial law period of 1971 and 1972. ings. In the next few months, The index rose back to 105.2 many unions will be trying to in 1976 but has since slumped: 102.5 in 1977, 83.8 in 1978 and 70.7 in the first six months of

In general, civil servants have Maden Is, the large and mili-suffered more than industrial ant metal workers' union, workers. Such figures probably only slightly overstate the case and major employers confirm that the trend has been against the workers. However, they point out their

own problems, too. Factories have been producing at between one-half and two-thirds normal capacity. There have been shortfalls of raw materials and energy. Unions have not co-operated in matching their work hours to the availability of electricity. And they say that legislation is against them.

Severance payments

"The laws were designed to protect the poor worker of the 1930s, but today it is the work place, rather than the worker, vho needs protection," a major industrial group comments.

One particular grievance is the level of severance payments. These have become so high that many firms could never contem-plate paying them. According to one calculation, the severance payments which would have to be paid in the state industrial sector are much higher than the

total capital employed. But the unions too have their group with the most workers to the be sure of representing a work Maden is and some other unions.

referendum. Further, they argue that though they are often presented as violent they are most often the objects of violence. Conflicts between police and

workers are far too frequent and it has to be said that the workers often have a point in their complaints. Health conditions are virtually unsuper-vised and appalling. One group which was set on by the police had sat in because they had not been paid for a month. Some of their demonstrations have been eye-catching. One group of workers marched 400 miles from Mersin to Ankara to complain at the dismissal of 847 workers and their replacement by rightwing unionists. Another group of 250 workers was photo-graphed blindfolded and holding an electric cable. They threatened to let the current pass and brandished a banner against the owners of the iron casting plant where they worked: "It is better to die.

than to live in hunger." The whole union movement suffers from the degree to which it is affected by party politics. The oldest confederation, Turk Is, has about a million members and is particularly important in the public sector, its leadership is divided between supporters of the present and past govern-

DISK has around 600,000. members. Its leader, Mr. Abdullah Basturk, used to be a deputy in Mr. Ecevit's party but quarrelled bitterly with the Ecevit government, particularly when this supported the banning complaints. They claim that of the traditional May Day rally legislation does not allow the last year. Last year DISK split, leadership suspending

IT HAS been a painful time in organisation are revealing. On place and call for the right of However, joint fears of the read that DISK has been mix Turkey for both workers and the basis of 1963 as 100, they referendum. Further, they "fascist threat" perceived in up in violence in the lutting the present Government is helping the two sides to find unity.

> There is a tiny confederation. Hak Is, supporting the pro-Islamic National Salvation Party. militant confederation, MISK, supporting the Nationalist Action Party. This has about 25,000 members but lost ground when the last government replaced many government officials and corporation heads sympathetic to the NAP.

Costly divisions The divisions of the workers' movement have cost the unions least those for State security dearly. They have prevented courts, against which it can unions in the same field jointly out in mass protest three years. negotiating with management ago. And, on the economic They have also led to incidents level, it is determined to resit policies which involve further that they must either join MISK or be dismissed. The authorities have little sympathy for such falk, seeing DISK as unruly, ideological and extreme. Members of DISK claim that such efforts by employers are

such efforts by employers are helped by the local police and. Ministry of Labour officials. "Don't be surprised if you

ment reached a "social contrast" with Turk Is. DISK always injected to this and the contract has since quietly collapsed. New the future is likely to be in-On the political level, DISK strongly opposes some of the Government's proposals, no

> side, in other words, seems pr pared to pull its punches.

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TURKEY XI

Funding is the banks' major difficulty

RURKEY'S BANKS have Reathered one storm. Ministers n the Ecevit Government used to attack them as a "club for he elite" and as part of a pankrupt system, yet when it same to their reforms in the banking law the mountain strught forth a mouse. But the banks are still having to deal with the implications of the country's economic crisis. And hese are perhaps more severe man ever.

The banks' main problem is funding. During the heady years of 1976 and 1977 they were able to borrow over \$2bn from Western banks and to lend them on to domestic clients at a con-siderable premium. That scheme of convertible Turkish ira deposits whose foreign exchange risk was guaranteed by the Turkish Central Bank has long been stopped and put in the museum of monuments of governmental folly.

Further, the banks are finding that the credit squeeze pre-scribed by the International Monetary Fund is beginning to bite. Overall credit limits are being held down and a high proportion of such credit as is available from the Central Bank is being allocated not to the private sector but to Turkey's State Economic Enterprises. The figures partially tell the

of-living index rose 73 per cent but consolidated deposits with porate tax have to be paid. the commercial banks only rose per cent. Further, the liquidity squeeze is being passed on. Commercial banks' loans only rose 39 per cent in that period.

working Industrialists' capital is melting like snow," comments Mr. Sakip Sabanci. Chairman of Turkey's Union of Chambers of Industry and Commerce and head of the huge Sabanci Group. A few hundred yards along the Istanbul waterfront the Koc Group has the same to say—that firms' profit increases in lira terms have hidden margins and that many firms face major liquidity problems. Inflation means that they need share in the Turkiye Garanti Banking Law nor to deal with ever larger sums to buy the goods and raw materials to keep producing, but the banks have the Sabanci group has a minority hand little to lend. Mr. Sabanci adds: holding. A new development day.

THE TOP TEN BANKS (Total assets on December 31, 1978)

•	TL bu
Turkish Agricultural Banki	133.8
Turkiye Is Bankasi	116.9
Akbank	66.7
Yapi ve Kredi Bankasi	56.7
Turkiye Halk Bankasi	25.6
Turk Ticaret Bankasi	24.6
Turkiye Emiak Kredi Bankasi†	21.0
Turkiye Vakiflar Bankasit	19.0
Turkiye Garanti Bankasi	13.5
Ottoman Bank	13.1
† State-owned banks.	

Source: TIB Annual Survey of Bank Balance Sheets.

construction group has just resurrected the long-quiet Hisar

were no limits on loans.

Changing the provision was one of the aims of the reform

in the 1958 Banking Law which was finally enacted last August. Now owned subsidiaries will

The law has protected the

status quo," commented one of

Turkey's leading bank journals,

encourage wider ownership of

banks, to discourage the family

bank, to adapt controls and penalties to inflation. It im-

proved the definition of certain

concepts in the law. And it re-

solved a number of practical

problems which the banks are

facing, such as over the taking of collateral and the arranging

of letters of credit for projects

But it has done little to alter

the basic 1930-style spirit of the

financial institutions better to

handle the requirements of to-

'If you squeeze the money supply too much when firms have already reduced production it is very dangerous."

For some of the smaller companies the answer has been to borrow at the high rates demanded in the small parallel banking sector—a handful of houses offering the depositor 41.5 per cent as against the 24.5 per cent offered by the banks and charging the borrower correspondingly more. The more traditional firms consider this a dangerous course but for some tale. During the year to of the smaller ones there is little October, 1979, the Istanbul cost-option, particularly during the months when personal and cor-

Source of finance

The weakness of the formal capital market and the inadequacies of the stock exchange mean that the banks have long been an important source of finance for industry and com-merce. Until 1967 all this finance was short-term but stice then longer-term finance has

become progressively available. The importance of the banks has long made them an attractive target for the industrial and commercial groups. The Sabanci group owns 80 per cent of the shrinking shares of Akbank, Turkey's many firms second largest commercial bank. The Koc group has a controlling Bankasi, the fifth largest com-mercial bank, and one in which

need drastically to increase such facilities as home mortgages to the contrary problem of how to ensure that the banks channel less funds to their own build-ings and more to productive investments. But however circum-scribed by regulations, two matof the banks-that they have been able to block attempts by the armed forces pension fund to set up a bank and that their profitability is extremely high. One bank study records the dif-ference between the weighted cost of liabilities and capital and the weighted yield on assets as being some five times that obtained by bankers in the West.

Nonetheless, Turkey only offers limited scope to foreign deposit-taking institutions. These are tightly restricted. The Ottoman Bank once used to act as Central Bank for Turkey but now it and the four other foreign Such moves have attracted banks account for a mere 1.7 considerable criticism. Yet there per cent of credits outstanding. long was an inescapable commercial logic-that it was in the The Bank of America has a shareholding in a further bank. firm's interest to control a bank and has just won a management services agreement with the Turkiye Garanti Bankasi. as if that bank then owned over 25 per cent of the organisation to which it wished to lend there

The problems range from the

The general nature of the whole sector means that there is little room for fine tuning in managing the economy.
Attempts to direct credits to desired policy ends by offering be subject to limits on a range of interest rates have credit—but only where new had little success. Previously, loans are concerned. restrictive credit policies have often foundered on the ability of banks to find ways round the regulations or on firms' ability to sell stocks to raise cash.

last October. However, it also did take certain measures to But now the boot is beginning to squeeze—and Mr. Ismail Hakki Aydinoglu, the governor of the Central Bank, has established a reputation for ensur-ing that political pressures do not always override monetary targets. It is a change from the situation under some of his predecessors when the writ of the Ministry of Finance dominated the Bank. But if Mr. Demirel continues his policy of sweeping out all officials appointed by his predecessor, he might seek to have Mr. Aydinoglu the need to adapt Turkey's moved when the General Assembly of the Bank meets in April.

ARTIFICIAL AND SYNTHETIC FIBRES INC.

SASA plants came on stream in 1968 with a polyester production capacity of 5,000 tons per annum. Within a decade this capacity was increased to 42,000 tons/year and an expansion project up to 70,000 tons/year is

SASA, the biggest synthetic fibre producer in Turkey and in the region has expanded into a complex with the addition of the DMT (Dimethyl-Terephthalate plant, The capacity of this plant is 60,000 tons/year, but it is designed to expand its capacity up to 120,000 tons/year with a comparetively minor investment.

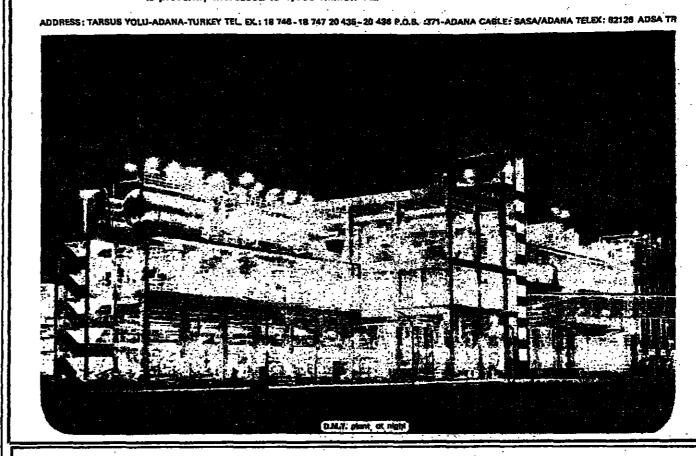
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Annual Sales of SASA has presently exceeded 130 million Dollars. Parallel to rapid expansion programme 30 million TL initial capital in 1966 is presently increased to 1,155 million TL.



Foreign investment slow

In more than a quarter of a elsewhere. century the country has been able to attract only TL 2.8bn from abroad-less than \$60m

at the current exchange rate. Despite its many advantages. jucluding a large local market, considerable industrial capacity, association with the Common Market and proximity to Middle East markets, the number of foreign companies operating in Turkey is 97. There has been no foreign investment of any significance in the past three

Obstacles in the way of foreign investments in Turkey are more the result of mental attitude than of legislation. The within two years.

FOREIGN INVESTMENT is 1954 law for the encouragement

attiludes Ankara still strongly influenced by memories of the Ottoman era, when Western companies virtually colonised segments of trade and industry under the so-called capitulations.

further reinforced in the 1950s when a handful of investors, taking unfair advantage of conditions prevailing at the time, failed to implement their projects fully. In some cases, market shortages resulted in such high profits that invested capital was amortized

one of Turkey's classic failure of foreign capital is liberal so that sentiments and slogans joint ventures. compared with legislation appear to have over-powered Foreign projects designed to elsewhere.

Foreign projects designed to expert most of their production in country's economic require- will be encouraged regardless

Mr. Suleyman Demirel, the Prime Minister, believes thatthis picture must change and his Government's 1980 investment programme, which embraces targets of growth as well Xenophobic sentiments were as principles, provides some insight into his foreign capital

The focus, understandably emphasised in view of Turker's chronic trade deficit, is on ex-

Under the new guidelines of the programme, the Government will expect "a significant amount of exports" from both

These memories still rankle, new and already established

of whether the investments the involve fall under the priority sectors listed by the Govern ment or whether they meet the stipulated ratio for foreign equity participation. The same would be true for tourism pro-jects, which the Government is promising to back up with infratructure investments.

These changes waive one of the iron rules under which foreign capital has been admissible in the past decade or so: local majority ownership of capital.

Machinery manufacture. chemical and metal goods indusries and investments in the intermediary and capital goods production sectors will be given priority treatment.

The government also promises to do away with the biggest and most exasperating obstacle in the way of foreign investments -bureauctatic red tape.

"Foreign capital has scaled the China wall," said a Turkish industrialist, "but has been re-pulsed by Turkish red tape."

New applications

The Demirel programme promises to set up a system which would work semi-automatically, cutting down the time taken by hureaucrats to study applications.

It is understood that a single bureau will be empowered to ook at applications. This may be located within the State Plan-

Opening the door further, the programme states that large proects could be negotiated outside the precincts of these principles.

The SPO is engaged in improving the "foreign investment code" which was prepared during the administration of Mr. Bulent Ecevit but could not be published due to the opposition of State-vector minded cabinet ministers. This is being simplified by Mr. Demirel's advisers and may be ready within a

month or two.

Mr. Demirel is also worlding on a plan to attract foreign oil companies back to Turkey. "Turkey." he said, " must re

sort to every remedy to prospect for oil on land and off shore, make use of every possibility and definitely find oil. To reach this target the current laws and regulations and practice will be changed with courage."

While Mr. Denurel is sincere in his desire to attract foreign investors and oil companies, his invitation will be viewed from abroad within the context of Turker's continuing political in-stability, the plague of terrorism and economic depression



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TURKEY XII

Increasing strains in city life

FUNDAMENTAL TO all the much publicised problems of the Turks is one issue on which there is virtual silence. The dated. mass migration from country to town; the endless queues of the jobless and at bus stops; the eroding of schooling and hospital services; the spread of slums and shortage of housing; the general strains on society which are reflected in the violenceall these are influenced by the country's burgeoning population

Turkey's 44m people are increasing by 2.4 per cent annually. The country is well on its way to becoming the most populous member of the Europe to which the present Govern-ment would like to link Turkey's

To many people the need for action is clear. A number of unions are agreed that family planning should be taughtthough, more ccharacteristically, disagree on whether this should be in the employers' or workers' time. The grand old man of families. Surveys of women have found that many are keen, not least in order to protect their health, to do this.

Bulent Ecevit did little, though such as midwives to be more tion has long ceased to be the active. That of Mr. Demirel safety valve it once was. Untop advisers that population can-cent of the labour force. not be artificially limited and of the parents. It is perhaps symbolic of the problems to be overcome that one Turkish deputy has 13 children and another has 19.

The pressures caused by the surge in population are only too There were medals and tax in-

19m people. By 1973, this had doubled and each year 1m fur-ther Turks have to be accommo-

per cent of the population lived in cities. Now 46 per cent of a much larger population are city dwellers. Istanbul has quad-rupled in the past three decades. Surveys show that even in 1965 nearly two-thirds of the popula-tion of Ankara and Istanbul had been born in other provinces.

"I would never have encour-Minister of Agriculture. agricultural workers.

believes, according to one of its employment now exceeds 20 per

All this is a major change ing the depleted population was a priority of Kemal Ataturk, the founder of the Republic. Celibacy taxes were considered.

The years have seen a major shift to the cities. In 1945, 18

Social cost

aged the drift from the villages if I had known the social cost." says one man who became Minister of Interior after being tractor has displaced about six

As so often in the Third World, the municipalities which have always been starved of powers by the capital - have ben unable to provide the ser-Turkish industry, Mr. Vehbi vices necessary. One-half of the Koc, frequently calls for limiting population of major cities lives population of major cities lives in the shacks which have sprung up over the hills surrounding cities such as Ankara. Now, 42 per cent of the population is But the politicians have aged under 15, compared with delayed. The Government of Mr. around 30 per cent in Western Europe, causing the inevitable did open the doors for people, strains on the schools. Emigration has long ceased to be the

that in rural areas children are from the days after the defeat essential for the economic future of the Ottoman Empire in the First World War and the huge human losses involved. Increas-

and Italian pre-war style, lution were in favour of family classed among "crimes agains; planning. The Five-Year Plan the integrity and health of the which they ushered in advocated various measures, and in

But laws in Ankara were one 1965 a law on population planthing and practice in the vil- ning was enacted. Since then, lages another. A 1959 survey family planning facilities have by Dr. Nusret Fisek found that gradually become available on infant mortality was as high as a limited basis, but the Fourth 165 per thousand live births and Five-Year Plan for 1979-83, preestimated that 53 per cent of pared by the Ecevit governthe deaths of mothers were evident. In 1945 Turkey had centives for large families, caused by abortions. The officers directly to population issues and

Abortion was, in best German who carried out the 1960 Revo- proposes no policies in this field. health. In a country where the State has little to offer the old it is inevitable that many their security. But this argument is less

effective than it was and is mainly heard in rural areas. In the towns an extra pair of bands is also an extra mouth to feed And in both areas the State's ability to supply family plan-ning assistance is lagging far behind the demand for it.

The Fourth Five Year Plan suggests that the ideal family size desired by the family on the Konya omnibus has declined from 3.2 in 1963 to 2.6 in 1973. This is lower than the average shown by more recent surveys but still the experience of some projects, such as that at Etimesgut, near Ankara, shows that the rural population is receptive to education on family planning. Even without such in nine are using methods which are reliable.

Those favouring family plan-ticular the Nationalist Action ning find it best to present it as Party, see Turkey as needing a part of wider projects aimed at large population to provide it improving maternal and child with a strong labour force and a steely defence. Family planning is accused of intruding into the intimacy of the Turkish parents see their children as family, as being harmful to comen's health, and imposed by imperialist countries and those

with "suspicious purposes.

Such views have led to discreet attempts to undermine integrated mother and child health projects, including at Yozgat funded by the UNFPA UNICEF and the Population Council. In one case villagers have been told that the coils given to them are "Moscow's ears" and will allow the Soviet Union to listen to all they do. .

Elsewhere, family planning aftempts have often been so badly administered as to be counter productive. Yet, in general, the population is more ready than the State's services. Projects in this field are meeting a satisfactory response-and could be so much more effective education around two couples in with backing from the Governfive are using some form of ment and the State media for a contraception, though only one cause which seems self-evident

D.T.



The pressures caused by the surge in population are only too evident. Around 46 per cent of Turkey's 44m people now live in the cities

Upheavals in education

minds in Turkey is being taken seriously—too seriously. The university campuses have virlecture halls are liable to have a patrol of gendarmerie ostentatiously guarding the aisles. Such precautions are generally have frequently had to be

hundreds of students have died. Further, six university lecturers and professors have been killed tually become barracks and in the past year and three others were included on a right-wing death list found last month. In the past, the universities

to take place in student hostels. streets or the cafes where students meet. The teachers' training colleges have long been fields of war and, increasingly, so are the high schools. Politicisations seeps low, affecting even sity degree to even the best students of 14 years of age.

Standards are suffering. Survival has become more important - At present, all such considerathan study,

produced by our universities are unable even to write a good Turkish sentence," says a professor at the influential Political Sciences Faculty of Ankara University.

The demands on the educational system are enormous. At one end of the scale there is a shortage of people with the managerial skills necessary to help Turkey through its industrial revolution, of mechanical and electrical engineers, of foremen, of accountants, of nurses and of secretaries. At the other end of the scale, there is the huge problem of spreading literacy.

Aggravating the situation is drain of doctors and engineers abroad, the problem of obtaining teaching and medical staff willing to work outside the major cities and the flight of teachers from a profession which offers them little money, less prestige and no

The difficulties exist at all The share of GNP devoted to education is less than any country in the EEC— and GNP is of course well below European standards. Buildings have been unable to keep up with the sheer flood of numbers. In the past two decades those at primary school have doubled, those in middle-level school and lycees nearly quadrupled and quadrupled and university students increased in number by 400 per cent. Literacy rates have risen-from 29 per cent for men and 10 per cent for women in 1935 to 75 and 48 per cent in 1975.

Shift system

Such figures indicate a measure of success. But the existing schools are overcrowded and sometimes have to work on a shift system. Further, primary school education is not available to about one million children of that age group, with girls in particular being discouraged from schooling. The expansion of university education to a point where Turkey has more university students than Britain is also impressive, but has to be seen against the fact that only 40,000 out of the 350,000 applicants can be found places.

Then there is the problem of how suitable is the traditional Turkish method of learning by rote and the issue of structure. Vocational training has long been seen needing to be given priority. Both the Ministry of Education and industrialists, impatient at the amount of inplant training which they have to provide, insist on this. But the facilities available are limited—"This is one of our biggest problems," says Professor Altan Gunlap, chairman of the Admission Board. Universities

The existing schools have vagaries. Girls, for instance, may enrol for flower

THE BATTLE for hearts and welcome. In the violence, closed. Now the incidents tend decoration but not for electronics. They also suffer from a lack of qualified staff, a failing in part contributing to the low standing of a vocational school diploma. Employers admit to preferring almost any univerqualifications from a vocational

> tions are overriden by political "About half the graduates ones. Recent changes of government have led to fighting in the corridors of the Ministry of Education. Under the two Nationalist Front governments of Mr. Suleyman Demirel in 1975-77, numerous supporters of the militant Nationalist Action Party of Colonel Alparsian Turkes were given appointments. Many of these then were shunted aside by the Government of Mr. Bulent Ecevit, but the latest Government of Mr. Demirel has seen the NAP again gaining ground.

Training colleges

Even before 1975 the NAP had given priority to the teachers' training colleges, apparently hoping to bring up a generation in their way of thinking. Their followers would make entrance to these colleges dependent of the applicant knowing details of Mr. Turkes's birth. It was one of the successes of Mr. Necdet Ugur, who was Mr. Ecevit's Minister of Education, that he managed to set the teachers' training colleges on a more normal course. But it is indicative of the role of the minister nowadays that Mr. Ugur was a former police chief. Policing rather than developing educational policy has become the

sad lot of the ministry. Today: the old battle has On one level it is emerged. overtly political-supporters of Mr. Turkes against followers of TOBDER, the largely Marxist teachers' Association which has over half of Turkey's teachers as sympathisers and about onethird as members, according to one professor.

But on another level it is the continuation of an old and historical debate. One side of this has always adopted the argument that education is aimed at installing a framework of social and cultural orthodoxy, at developing the tradi values of the great Turkish nation and increas-ingly, its Islamic heritage. The other derives from the modernising reformist current which had some success in the 1830s and was represented by Kemal Ataturk, earlier this century.

Many of today's heirs to this current development, accept wholeheartedly the secularisa-tion carried out by Ataturk though they criticise his re-forms for not going sufficiently far and—a recent strand—are sceptical of the West as an

in various forms the arguever since the 18th century when traditionalist dragged a reformist Grand Vizier from his horse and killed him. It is not going to be settled just now, But it is heing fought more bloodily than ever before, at the cost of the quality of education and to the detriment of the next genera-

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LIABILITIES AND EQUITY Funds Borrowed

Other Liabilities TOTAL LIABILITIES

AND EQUITY

741.062 691.883 1.971,835 918,743 460,305 196,710 339,903 13,501,077 8.843,082 7.006,568

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in Turkey.

Mr. Erkmen, one of the

most respected members

of the Cabinet

with what he perceives as Turkey's national interests. He

had a reputation for belonging

to the school which identified

those interests as being far more linked with the West than

was beginning to become the conventional wisdom. His

conventional wisdom. His tendency since has been to con-

firm that reputation, but, if he needed allies to make his point, Afghanistan has pro-

vided them.

PROFILES OF SOME OF TURKEY'S PROMINENT PERSONALITIES

Turgut

PROBABLY NOTHING demonstrates better Prime Minister Suleyman Demirel's intention to liberalise the Turkish econor than his appointment of Mr. Turgut Ozal as chief economic adviser—Mr. Ozal was the architect of the highly successful 1970 devaluation and economic package on which seven years of fast growth was based.

Mr. Ozal's official titles are Acting Under-Secretary of the State Planning Organisation (SPO) and Under-Secretary to

But the mass circulation daily, Gunaydin, calls him "the Cabinet Minister without a Ministry." and claims that he is more powerful than most minis-

In reality, he is to Mr. Demirel in economic affairs what Dr.
Henry Kissinger used to be for former U.S. President, Richard Nixon in national security was head of the Metal Industries

Mr. Ozal-who left a string of lucrative positions in private business in Istanbul to help Mr. children, is a pious Moslem. To Demirel—is to prepare a pro- enter his house one has to take gramme of economic measures designed to both liberalise and stabilise the economy.
- For the longer-term, the 52-

the co-ordinator between the SPO. Central Bank, Treasury and the Ministry of Finance. .- Mr. Ozal, a short, corpulent man wearing horn-rimmed glasses, has long experience in both the civil service and private business between which there is a vast communications gap and distrust in Turkey. In both fields he rose to positions and

gained a reputation for sharp intellect and pragmatism. "I worked with the Government for 21 years on a small

salary," he says. He quit the civil service in 1971 as head of the SPO, after the generals forced Mr. Demirel the generals forced Mr. Demirel wing daily Cumhuricyet, calls to resign as Prime Minister. He joined the staff of the World Minister." portraying him as a Bank where he worked for capitalist with blood dripping nearly three years. He returned from his teeth." He is not a to Turkey to one of the top jobs in private industry to become the managing director of the Sabanci Group of industries and to run the investment



powerful thanmost ministers "

department of their Akbank. After two years with the Sabanci Brothers he left to manage a number of smaller companies in steel and tractor

Employers' Union and held The most immediate task of an executive position in a number of private companies.

Mr. Ozal, married with three off one's shoes as is required before going into a mosque. Like most Turks, he smokes heavily but never drinks. He prays and year-old Mr. Ozal will act as fasts during Ramadan and has the co-ordinator between the frequently made the pilgrimage

"The only way that Turkey can re-attain viability is by shiftting to the free market economy," he says. He has plans to cut down red tape, encourage exports, liberalise imports and investments and allow prices to be formulated by market forces.

Mr. Ozal's appointment was greeted with satisfaction by the Turkish and foreign business community in Istanbul which was fed up by Mr. Ozal's State-

sector minded predecessors.

But to the Left wing he is not an attractive figure. The Leftfrom his teeth." He is not a representative of big money. says the paper.

Mr. Kiratlioglu, Minister

of Energy

soldiers and politicians. When

ings of the alliance's Military

Committee they stay on in Brussels to sit at the elbows of

their defence ministers at the

Defence Planning Committee. Not so Turkey's top general.

He refuses to play second tiddle to a civilian and flies back to Ankara, leaving his deputy

As head of Turkey's armed

forces, General Kenan Evren

occupies the most important

post in the country. The mili-

tary intervened after the 1959

economic crisis and issued an ultimatum after the crisis of

1969. A further ten years on, they have so far only issued a

warning to the politicians. But it was a stiff one: "Get together on terrorism—or

It is always a delicate balance

between the country's armed forces and the politicians. Since

1960, the military's role has been clearly institutionalised.

The President has always been a military man. The National

Security Council on which they

sit has acted as a formal forum with the Government. The military have ways of making their ways known. Therefore,

when they do so publicly, it is a serious matter.

General Evren is remem-

high school. He is described as

being humble. During the Cyprus invasion in 1974 he was Chief of Staff to the commander

of Turkey's army. Four years later he became Turkey's com-

behind

Gen. Kenan Evren

visiting units.

nothing to hide.

This New Year he described

the country's economic difficulties as "the greatest crisis of

the history of our republic." He warned: "Our nation can

no longer tolerate those who misuse the extensive freedoms

stipulated in our constitution,

those who sing the Communist Internationale instead of our

national anthem those who

invite the canonical system, those who wish to replace the

democratic system with all sorts of fascism, anarchy, destruction

Military colleagues describe

him as particularly concerned

by terrorism and the problem of Kurdish separatism. They say that the commanders were not happy at the restrictions imposed on them during the period of "martial law with a human face" under Mr. Ecevit.

Equally, there have been some raised cychrows at Mr.
Demirel's blind eye to the
activities of the right, even if
recent meetings between

recent meetings between General Evren and Mr. Demirel

seem to have ended cordially.

However, the general opinion is that unlike some of his pre

decessors General Evren does

not seem anxious to step out on to the political stage—and

that he exercises a strong

influence over his fellow com

manders. In general, he is highly esteemed in NATO, The

consensus is thus that he is a "sensible soldier." This year

will show if the consensus is

Esat Kiratlioglu

up to nine hours a day and industry badly run down as a result, Mr. Esat Kiratlioglu, the 50-year-old Minister of Energy and Natural Resources, is well aware that he is occupying perhaps the most important posi-tion in the Cabinet. "About 70 per cent of the problems Turkey is encountering stem be solved by it," he says.

For some it is debatable whether it is an advantage that Mr. Kiratlioglu—a dapper, agreeable and slightly built man —is by training a geologist. The training was acquired at Graz University in Austria, leaving him with a fluency in German which more than matches his command of English. Some argue that politicians should be politicians and quote "a little learning is a dangerous thing"; others maintain that a geologist has a greater chance of grasping the enormity of Turkey's energy problems than an untrained politician.

Whichever is the right conclusion, the impression of the man that comes across first and foremost is that he is to his fingertips primarily a politician. This is not to underestimate his pre-ministerial career. He was geological adviser to Iller other NATO countries' chiefs geological adviser to Iller of staff finish attending meet-Bank, which provides develop-ment credits for the municipalities, before becoming its Director-General. He entered Parliament in 1967 as the deputy for his birthplace. Nevsehir, south-east of Ankara in central Turkey, after four years as its mayor.

His most recent job before becoming Minister was to be the Justice Party's Whip in Parliament, which gives him a particular insight into the workings of his party.

To spend an hour one morning in his office, with its lights suitably dimmed, is to see the politician at work. During this period he received a whole series of people ranging from mayors worrying about power cuts to constituents from Nevsehir and others hoping to get their personal coal supplies through. Each was a potential voter, fighting for attention against incessant phone calls.

When we met later that even-ing, his first words were "I have met a thousand people today," and it was hard to disbelieve him. But even given the problems of mastering a difficult and crucial brief, it is clear that Mr. Kiratlioglu, like his lawyer predecessor, Mr. Deniz Baykal, is facing the bosic General Evren is remembered by classmates as having a strong personality which he does not like to show. Today, he is described as a "quietly determined" mau. In 1937, he was one of the first class of officers to graduate from the newly opened Ankara military high school. He is described as dilemma of Turkish politics. A Ministry enhances the holder's opportunities for political patronage, but simultaneously reduces the chances of policy directives being worked out. And unless Turkey's energy And unless furkeys energy problems are got right—and time spent on getting them right—it will not just be this winter which will be spent in the cold and largely in the dark by many of its citizens.

A. McD. bined Chief of Staff. One of his first orders was to put an

Hayrettin Erkmen

and, in his own right, one of the more respected members of the present Cabinet.

Mr. Erkmen's appointment coup. Imprisoned, in some cases executed, they were put on the margin of the country's political life. Yet visitors to Mr. Erkmen's house during this difficult period remember how he insisted on keeping a portrait of the Democraix President, Celal Bayar, on

his wall. This reputation as a man who has stuck to his principles also goes with one for efficiency. He is remembered as the best Minister of Labour of the Demothe Foreign Ministry with his decisiveness. He has also so far obeyed one maxim-that, however much politicians may sweep clean the personnel of other Ministries, the Foreign Ministry is left relatively alone. His predecessor was less ounctilious about this rule, but Mr. Erkmen has shown more interest in policies than inpolitical process. Now aged 64. when World War Two broke

IN 1960 the armed forces put from Lausanne and economics Mr. Hayrettin Erkmen in prison. Today, he is Foreign Minister a doctorate.

Between 1950 and 1960, he was deputy for the Black Sca port of Giresun, his birthplace and the town for which he is reflects the continuing rehabili-tation of the Democrats who ruled Turkey until the 1950 roun Imprisonal in some first in 1956 and 1957 was chairman of the parliamentary group of the Democrat Party

He has since worked as a lawyer, a lecturer and as a member of the Governing Board of the Central Bank.

In the ministry, he faces the

perennial problem of how to handle a staff which has more ambassadors than embassies and where a number respected diplomats have to Minister of Labour of the Demo-crat decade and already he has impressed the civil servants at the Estate was able to make use of these reserves, taking on secondment Turkey's former representative to the UN to act for him on refugees in South-

East Asia. Mr. Erkmen also has the problem of policy. The first interview he gave after becoming minister was striking for the extent to which it indicated the basic bipartisanship of Turkish house politics. His own background combines West certain nuances, for instance
European universities with his determination to clear up years steeped in the Turkish any misunderstandings which the previous government may he was in Paris doing post- have left over Turkey's desire graduate studies in economics to have good relations with the

But his basic approach was out. He returned to work in Turkey's Ministry of Finance. Turkey's Ministry of Finance, not to score points off the then obtained degrees in Law Ecevit government but to deal

Aziz Nesin

seen such dark days," says the humorist, Aziz Nesin Now president of the Turkish Writers' Association, he recently complained that at least 15 members of his association have been threatened with death and that they have to try to protect themselves since they do not trust the security forces. Yet, he himself has known bad days

Mr. Nesin has 70 collections of short stories to his name, has sold more books than any other Turkish writer and is unchallenged as the greatest humorist in Turkish literature. He has been translated into 15 languages, selling well in German and French and, perhaps strikingly, Greek and Armenian. He has won literary prizes from West the East and the Third World Yet in Britain he had to publish under one or is hardly known.

Istanbul is greeted with tea and a puckish wit. However successforgotten the problems through how one man he met in the which he has lived, describing 1940s, on hearing he those with a warm irony, un-writer, commiserated: tinted by bitterness. He has a chap. No decent job available? curious past for a humorist. That's too bad!" starting in a Koranic school in a slum area in an Istanbul racked by war and Allied Occudecent school available to us poor"-and being trained in tank warfare by a British major hefore undergoing practical experience at El Alamein.

After leaving the army he jointly edited a weekly which overnight achieved a circulation twice that of the leading newspapers. But his anti-establish-



ment views soon put him on the Government's black list. He other of two-hundred pseudo-The visitor to his small book- nyms he used and says lined flat of the Asian side of that "the newspapers were writing such bad things about me that I began to be ful he is. Mr. Nesin has not afraid of myself." He recounts

His hereos are the hapless victims of a world they do not understand and his villains are pation, graduating from the the politicians, lawyers and military high school—"the only policemen of a hureaucracy policemen of a bureaucracy which could be that of the Ottomans, the Turks or anyone. His tone is that of sympathetic irony rather than cynicism, of hope not despair. And the imaginative fantasy is superb.

In 1948 he was arrested for attacking U.S. aid to Turkey. He later served a prison term for a series of articles which had "disturbed Turkey's relations with its allies": in this case he had criticised the Turkish Press for writing about the potential marriages or divorces of Princess Elizabeth, King Faruk and Reza Shab — the ONE FACT symbolises the end to the official welcoming relationship between Turkey's ceremonies which his prepenultimate Pahlavi - rather decessor used to expect when than the bread that was not available in Turkey. Until the 1960s, his life depended on the He has since opened the armed forces more to deputies and local journalists than was freeze and thaw of the State's treatment of writers. On one occasion he even supported hunpreviously the case. His theme is that the armed forces are part of the nation and have self by giving Koran lessons.

Much of the money he has nce made has gone into an orphanage he has set up west of Istanbul, In his autobiography he writes: "The events I have written about made me indebted to, responsible to and obligated to society. My socialism is a struggle to repay a debt."

Dr. Turker Alkan



One of the most respected of these organisations is TUMOD, the Joint University Professors' Association. Its present President. Dr. Turker Alkan, ten-years ago wrote his thesis at the University of Southern California on the role of the intellectual in developing societies. Today, he is face-to-face with how challenging that role can be.

Of the six university profes-sors shot dead in the past year, five were members of his assonve were members of his association. One, Necdet Bulut, had
been TUMOD's general secretary. Another, Umit Doganay,
had founded its Istanbul branch.
"None of them were militants," says Dr. Alkan and it is

of the more influential ones, future is yet graver under the young and old. Like other civil present Government.

In many cases, the response to this ban has been to form associations whose role has often spread to the political sphere. The police organisations, the radical POLDER, and the much smaller Right-wing FOLBIR, have been particularly controversial.

tions is the huge teachers' move-ment, TOBDER. The president of this, Mr. Gultekin Gazioglu is in prison awaiting trial. It has considerable influence with the teachers. A one-day boycott of classes which TOBDER arranged. to commemorate the first anniversary of the 1978 Kahramanmaras massacre when 100 people died, led to 3,500 teachers and

"None of them were mili-tants," says Dr. Alkan and it is Left generally have far more professors who, in the West, members than those supporting would often be classed as the Right. The past year of liberals who say that they no martial law has seen TOBDER longer dare sleep in their own and many other associations homes. TUMOD claims as its members that they were considerably about one-third of Turkey's weakened by the Government university professors and lecturers, including a number power, that of Mr. Ecevit. Their

The extension of their activi-ties to the political stage is seen as essential by Dr. Alkan— "Our aim is to protect the interests of university teachers and advance them professionally. But, how can we concen-trate on professional issues alone when our members are being killed? Of course, we raise taking sides."

TUMOD has always con-demned violence. It has gained a reputation for seriousness and for the value of work and shalysis. It had a flourishing dialogue with Mr. Ecevit's minister of education, not least on the proposed new university law. But Dr. Alkan says that there has been a change of attitude since the present the case of when a number of his members were allegedly beaten up in Istanbul by soldiers at the funeral of a murdered professor who had also been a member of his association.

He argues that the terrorists aim to cause the State to abolish the freedoms in Turkish society and criticises a new bill to limit the activities of associafor democracy.

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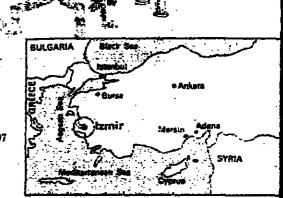
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Time Minister, told a group of crees, their pride is justified.

Some 29 companies are Mr. 'hese is about \$2.5bn. But until workers are given greater incen- and Saudi Arabia worth \$100m. tives by the Government to their earnings through official channels-and Middle East began with Enka's more support in bidding for contracts-direct gains to the dictably intensified after the state will remain low.

officially example. declared net receipts, according to Finance Ministry calculations. reached only \$55.2m (of which declared workers' remittances were \$15.5m) in 1978. This year. net receipts are expected to rise to \$150m-a modest sum when the possibilities are considered.

However, the main companies involved are optimistic about the future for two main reasons. First, they are convinced that Demire! (political developments permitting) is more aware of the potential of this sector than the administration Second, it appears to be serious of the operations of Turkish in efforts to ease the problems contractors in the Middle East. that the companies have in

ou!" was the gist of what holding group, one of the Sileman Demire), the Turkish pioneers in winning construction contracts in the or ractors who visited him last Middle East, earned through profits and workers' remittances piv was that they had out- \$75m between 1973 and 1978. rown Turkey-and, in some and hope to earn the same sum this year alone. According to Temiz Ustun, Enka's involved in more than 40 con-racts. The Turkish share in currently have bids in for contracts worth \$8.5bn, and hope to both Turkish contractors and win shortly new ones in Libya

> The first serious involvement of Turkish companies in the in 1971. Efforts were pre-1973-74 rise in oil prices and the expansion of local development plans. Since then a total of 17 contracts have been completed: 10 in Libya (mainly cement and limestone plants. and the construction of ports, harracks and civilian housing): four in Saudi Arabia (a cement factory and city infrastructure in Mecca): two in Iraq (a power station and a bridge across Shatt el-Arab): and one in Abu Dhabi (an electrical transmission line).

> According to Tusiad, the Turkish Industrialists which is compiling an analysis the profits made on these contracts, with one or two excep-

Who says it's easy doing business with Turkey?...

IV WORK in the Middle And the potential is tions, were very limited. At this when I have so much work undoubtedly there. The Enka stage, Turkish companies were concentrating more on the lasting contacts and establishing reputations. Furthermore. for tax reasons companies were keen to understate any profits

> The 29 main companies now involved in construction contracts are concentrating their operations in Libya, Saudi Arabia, Iraq, Kuwait, and the United Arab Emirates (UAE), although some interest is also being shown in Algeria. Precise estimates of contract values are almost impossible to calculate and three studies undertaken by Tusiad, the Kutluta, holding group and Garanti Bankasi have all produced different calculations. But of the \$2.5bn worth of business, about 55 per cent is in Libya, about 24 per cent in Saudi Arabia, and about per cent in Iraq. The rest is divided between one contract apiece in Kuwait and the UAE. before Christmas a

group of Turkish contractors involved in the Middle East presented the Government with a amounts-without report outlining their main concerns and difficulties. The first was financial and is directly related to Turkey's international credit rating. Letters of guarantee from Turkish banks are not acceptable everywhere. example, while Iraq and Libya accept them, Saudi Arabia does

on these letters of guarantee an average of 4 per cent, plus permission. essential strategy of making a 25 per cent tax on that commission — makes it highly uncompetitive to raise money in Turkey in comparison with the international market.

In addition, the size of some of the contracts bid for (and of) the bank guarantee often comes up against the regulation stipulating the value of one bank's guarantee should not exceed 10 per cent of its capital. However, the Government has now decreed that a consortium of banks can be formed to issue a letter of guarantee, and, to overcome the problem of the acceptability of these letters, the possibility of government-togovernment agreements is being explored.

Labour laws

Second. Turkish labour laws require a minimum wage which has begun to make Turkish lahour uncompetitive example, in Saudi Arabia this additional payments for food, housing and social security—to 1,500 riyals/ month (\$445), which contractors claim is three times as high as Korean workers are paid.

In addition, employers are required by law to repatriate 15.000 Turks in the Middle East, directly from the pay packet and non-Turkish contractors 30 per cent of a worker's earnings. But in Saudi Arabia, for

Third, because of the prob-

lems of obtaining foreign exchange, and sending machinery and people to foreign sites, contractors have been holding foreign exchange outside Turkey for easy access. Finally, as a result of industry as a whole being run down, Turkish construction companies are at a further disadvantage to their competitors because of difficulties in obtaining such materials as cement, iron and

In Turkey's favour is the fact that its companies are better acquainted than some with Middle Eastern geographical and social conditions. Interestingly, contractors have not found it an advantage to be Moslem except when bidding for projects in Mecca and Medina, the holy cities, which are barred to non-Moslems.

According to Mr. Aydin Gilingiroglu a senior adviser to Turkish workers' Kutlutas. productivity, skills and experience are much valued. (Mer-Benz have found the transfer of workers from Germany to an assembly plant in Jeddah a successful operation.) As a result, Turkish construction companies employ about

another 70,000. The point is made, too, that

Furthermore, the commission example, money cannot be sub- Turkish contractors have not yet in these letters of guarantee — tracted without the worker's realised their full potential and their attitudes towards operating abroad. Twenty-nine companies out of several hundred equipped to bid for Middle East construction projects is a small

proportion. So far, companies have not moved into heavier industry or more ambitious projects, such expertise from the State economic enterprises could be well as cement and sugar mills. Tusiad estimates that in the next few years Turkey's share of the Middle East market

could rise to \$10bn. But Turkish contractors will need considerably more praction of a potential 8.5m hectares cal encouragement from the were under irrigation last year, competition Government grows from developing countries, from second-league Eurocountries, from реал companies, and from other Western companies which have diverted their energies to the Middle East because of the recession in the industrialised world. This competition is expected to be sharpest for contracts between \$10m and \$100m. But above all, it will be in the Government's own interests to help, because otherwise it is denying itself foreign currency.

A. McD. sultanas.

Good prospects for increasing food exports

tapped for the building plants as it generates exportable for metal work and textiles, as surpluses and its unexploited agricultural potential remains

Turkey has more arable land than any other country in Europe, except the Soviet Europe, except the Soviet Union Only 2.6m hectares out an indication of the 220 between production and potential which the country pos

In the years ahead, Turkey will remain a large market for agricultural inputs such as fertilisers, pesticides, and farm machinery as well as capital goods for agricultural projects such as irrigation and dam building. By the turn of the century, the country is a candidate to become a major exporter of fruit, vegetables and processed foodstuffs as well as traditional exports such as cotton, tobacco, hazelauts and

Even though governments have been obsess trialisation since the 1950s to the detriment of agriculture Turkey remains a pre-dominantly farming country. Agriculture accounts for approximately 26 per cent of GDP and 70 per cent of exports. and it employs some 60 per

cent of the population. Despite its relative neglect the sector has shown remarkable growth in improved technology and widespread use of fertilisers and pesticides have contributed to increases in agricultural output. FAO statistics show that the increase in the output of agricultural commodities in the period between 1970-77 was 27.3 per cent in Turkey compared to 18.8 per cent in lesser developed countries. Growth in the sector overall has averaged 4.2 per cent per year over the past five years, despite which

is, at 45, the most durable of

"The reason why I pre-

vailed." he said, over a glass of

raki, at one of the seaside res-

started playing leads in 1952,

before the 'star system' came

into being, and when it began

to dominate the industry in the

early sixties, I was already well

He has acted in at least 170

The Little Tramps." For that,

This was when the Turkish

films since he played his first lead in a forgettable epic called

he was paid TL250 or a little over \$30 at the exchange rate

of the time.

taurants, "was that I was lucky.

Turkey's film stars.

TURKEY IS one of less than 10 investments fell short of the countries in the world which are Government's targets and inves fortunate enough to be virtually ments as a percentage of the self-sufficient in food. In fact, total declined. Mechanisation Turkey is more fortunate than however surpassed the target of the majority in this small club 30 per cent per year. Last year was the fourth wa

secutive good year for Tu agriculture with total pre tion slightly below the previ year's harvest and agriculture as a percentage in the CMP declined by 2.4 per centric 24.9 per cent, according to the projection for the total reas. The Fourth Five Year

Development Plan, which we into effect last year, forest a 5.3 per cent annual development. ment rate for agriculture 7.3 per cent annual increase the export of agricultural commodities.

Wheat stocks

nrchases last year a helieved to have amounted to 1.8m tons, which was below expectations. stocks are considerably lower than those of the previous-two years and the government is very cautious in making explicit commitments.

Official estimates for the 197 cotton production are for 481,000 tons. Export registrations by the beginning of De-cember last year were 44,000 tons or about 60 per cent below the previous year's. Registration is expected to be slow until the Government raises the low exchange rate for agricultural

The tobacco crop in 1979 is estimated to be 242,000 tons or about 16 per cent lower than the previous year's harvest.

The Covernment has set the agricultural export target at \$1,509m, or 26 per cent higher than the estimated earnings of 1979, for the current year. This would constitute over 54 per cent of total export revenues.

MEETS

YES, foreign exchange shortages make life difficult. But this is the challenge that we are meeting. KOC has grown to be Turkey's largest industrial group during a time of rapid economic and social change. For us adaptability is a way of life...

We firmly believe that trade must be two-way. The time is past when Turkey was an easy market for western companies. Turkey today offers a different challenge.

There are many things that Turkey would like to import, apart from ever dearer oil. To make that possible, Turkey must earn foreign currency. In concert with the other progressive corporations KOC will play its part in meeting this challenge.

With its modern industrial plant, strong management and effective financial control, KOC offers the chance to manufacture efficiently for your market and for export. Helping Turkey generate more foreign exchange is the way to secure your stake in Turkey's future prosperity.

What does KOC do?

KOC does iron and steel, cars, trucks, buses and farm tractors, home and commercial appliances, consumer electronics, heating and insulation systems, electromechanic.

ECHALL

We also do food and food processing, textiles, general consumer products, international trading, tourism, banking and insurance, energy and mining.

KOC and the developing countries

In the last quarter century, KOC has developed its own techniques for coping with industrial and manufacturing problems in a developing country. At the same time, we gratefully acknowledge the contribution of western technology and knowhow. Now is the time for us to make our contribution.

Based on our own experience, we offer sympathetic understanding of the special problems of introducing advanced but appropriate technology in newly developing countries. If you need a partner who understands your problems, we would like to talk to you. ? Please contact Mr. Fahir İlkel. Executive Vice-President - Industry. KOÇ Holding A.Ş., Fındıklı, İstanbul. Telephone: 432900 Telex: 24218 koc tr

What's new at KOC?

Oil is new.

In 1979, KOÇ committed itself to a major investment in Turkey's future and set up a new subsidiary to undertake oil exploration in cooperation with international oil companies,

Exports also are making news.

·Fridges and washing machines to Iraq and Libya; Automotive castings to UK and Germany;

Cars to Egypt, Jordan and Kuwait;

•TV sets to Germany and Algeria; ·Glass wool to Saudi Arabia and Iraq;

 Home radiators to Jordan; Textiles to Germany;

• Farm tractors to Pakistan: Processed food to Switzerland and UK...

cinema was beginning to learn -"by trial and error," Hakan says—what the cinemareally about, although the first Turkish film had been produced

nearly 40 years before. Documentary

Mack Sennet was filming his Thomas Ince "The Battle of Gettysburg" in Hollywood when, in 1914, a 26-year-old reserve officer in the Otoman Army, Fuat Uzkinay, shot the first Turkish film. It was a short (150-metre) documentary. with the title," The Destruction of the Russian Monument at Sourishing film and publishing Aghia Stephanos.'

A few primitive film attempts followed, backed by private individuals, and for 17 years, until 1939, the Turkish cinema was dominated by one man, Mr. Muhsin Ertugrul, the theatre actor and director, who directed 21 of the 22 films made in that

Ertugrul's influence con-tinued through the 1940s, and the Turkish cinema was, until 1950, a little more than filmed theatre. A truly cinematic language began to emerge after. the enactment of a new law which made film production in Turkey economically viable.

This was the "Law on muni-cipal earnings," which imposed a 50 per cent tax on foreign movies and only 20 per cent on the locally-made productions More people went to see the cheaper Turkish films, and the budding production companies

renovated their style to compete with the slicker and more watch-The boom began. By 1966 Turkey was producing the fourth largest number of films in the

That was when a new problem arose and is still unresolved. The Board of Censors, autho-

AS HE enjoys a quiet drink in rised by a law dating from 1930 a local bar and discusses his concerning the "duties and rights of the police," began to yacht with another captain, there is little to distinguish crack down on "political" films.
A precedent was set in 1966 Fikret Hakan from the Istanbul in the fight against censorship. jet-setters who crowd the The censors, who didn't seem to southern Aegean town of mind sex and violence, merci-Bodrum, throughout most of the lessly clamped down on anything which had the faintest Over six feet tall, with a hint of a political message. dazzling smile under a salt-andpepper moustache, Fikret Hakan

Film studios seek

end to censorship

Duvon Sagirogh, the director of The Endless Road (again starring Hakan) filed a suit at the Council of State to have the censorship decision banning his film lifted A board of experts - made up of university profes

watched the film and decided there was no harm in showing it. The procedure took about two years and commercially the film was a loss, but it paved the way for other film-makers. Most critics agree that the

real revolution in the Turkish cinema came in the late 1960s with the emergence of Yilmaz Guney. An actor of low-budget shoot-em-ups and dubbed "the ugly king" of the Turkish cinema, Guney saved the money he made from his more popular products to set up his own company. In 1968, he directed "Ecyyit Hans," a partly surrealistic fable of love and revenge in eastern Turkey....In 1970, he made what most critics

(The Hope). He was working on a film about migrant cotton workers in the Adana area, "Endise" the Adana area (Dread), when he was involved in a shooting incident in a restaurant. One of the customers
— a local magistrate — was killed. Guney was sent to prison for 16 years.

consider his masterpiece. Umot

He continues to business from prison, we screenplays and books screenplay of "Suru" Herd), which he wrote show at the London Film Festival was filmed by one of his former assistants, Zeki Okten.

Working on shoe string budgets, almost constantly in a state of crisis, the industry receives no help from the State A new Bill prepared under the Government of Mr. Ecevit, the former Premier, was just com-pleted and submitted to the Cabinet by the Ministry of Culture when Mr. Ecevit resigned. The law was to abolish em-sorship and set up a Turkish Cinema Institute which weald build a modern studio, impart equipment and advance credits

to priovate film makers, unlikely that this Bill willobe tabled by the Conservative Government of Mr Demirola : The currency shortage has also hit Yesilcam (Green Pine).

the Istanbul street which is the Hollywood of Turkish filmden. The production of colour feature films, which was 213 in 1976, dropped to 102 to 1978 for ack of film and chemicals for the laboratories.

Sinan Fisek



The arc of crisis

IMAGINE a jigsaw puzzle that deep in debt that even the heat-has no correct solution. All the pleces are there, but they can be fitted together in the prime Minister's economy in a way reminiscent office appeared not to be furn-the fitted together in the late 1950s and early be fitted together in a whole tioning. Turkey's debt is now variety of different combinations, each of which yields a ments account for 45 per cent

from Turkey, through the Middle East to the Indian subcontinent has been aptly destorn in a series of different cribed by Mr. Zbigniew directions at once, never quite Brzezinski, President Carter's sure which represents their National Security Adviser, as true national path. The new the "arc of crisis." Look at any Government of Mr. Suleyman country in the region, and with the notable and recent exception to stress the "Europeanness" of India, you will find either of Turkey, its membership of present or potential instability. The Russian invasion of Afghanistan has been superimposed onto a region already grappling with a host of prob-iems of its own: the twin shocks of the Camp David agreements and the Iranian revolution; the sciousness throughout the Moskem world; and-in the oil-rich states—the social strains arising from wealth and rapid develop-

· Fragments of each of those problems form some of the ieces from which the western world has to put together its Middle East policy. But it is a large puzzle, far too difficult for children. As Lord Carrington found as he travelled through the area, in each country you visit, you find there are more pieces than you had previously bargained for. Each country presented him with a combination of local difficulties, which tended to loom at least as large in local minds as any threat posed by Russia. first stop was Turkey.

startlingly different picture.

That is the kind of puzzle facing Lord Carrington, the Foreign Secretary, as he ponders what to tell his Cabinet colleagues and Britain's allies about his The country is a cultural and geographic buffer between and Asia on the one ountries. Europe and Asia on the one The area he visited, stretching hand, Russia and the Mediter-

ranean on the other.
The Turks find themselves Demirel, for instance, is anxious NATO, its aspirations to become a full member of the EEC. At from Russia. the same time, the Turks want With a rest the Arab Middle East to see them as part of the Islamic community, and urged Lord Carrington to plead their cause on his tour through the region.

Ataturk legacy

But in the 1920s, Ataturk secularised the state and tried to wrench Turkey out of its Moslem past into what he saw as a European future. The Islamic world's response to Turkey's (not disinterested) overtures is cautious.

After the invasion of Cyprus in 1974, there was a long period of coldness between Turkey and the U.S. Not only was there an embargo on selling arms, but the U.S. Government with its aid programme was not par-ticularly interested in Turkey, industrial American investment has never been very being committed a mouth. welcome.

The Russians, therefore, have countries Lord Carrington was where he found an economy so tried to make themselves in- to visit, there are no political

tan in the late 1950s and early 1960s. Anatolia even uses the Russian grid for some of its electricity. Soviet money has financed a steel mill, a petroleum refinery, and an alu-minium smelter. One of Turkey's two new nuclear power

stations is to be Russian-

told Lord The Turks Carrington that while they were bitterly opposed to the Seviet action in Afghanistan, economic sanctions were neither in their power nor in their interest (they are trying to use what little surplus grain they have to help pay for importing Russian oil). And in any case, they were far more concerned about the potential for trouble on their eastern border with Iran than

With a restless Kurdish popupeople occupying a third of its land area, the possibility of the "balkanisation" of Iran and of the setting up of a Kurdish or Azerbaijani republic on or close to its borders, presents Turkey with yet another source of potential cultural fragmentation, and a far greater short term threat than Russia. It was noticeable that after his stop in Turkey Lord Carring-

threat of internal subversion within the region, which could be exploited by the Soviet Union in the Near or Middle East in the same way as was done in Afghanistan. But he quickly found that while the threat of subversion was widely recognised, nobody thought that there was any danger to them. The threat in Turkey is tangible -200 political murders are But in the next three

sense, and any potential threat to the regimes lies at varying depths below the surface.

Second stop was Oman, a country which probably has a population of less than 750,000 and which would not be a part of this story at all if it did not lie on the western side of the Straits of Hormuz But there it is, guarding the West's oil artery, ruled by a remote, 39year-old hereditary Sultan who regime.

15 said to have learned the There political value of the walkabout on the Queen's visit last year.

The British put him in power in 1970 so that he could drag Oman out of the feudal state in which his paranoid father had been determined to keep it. In nine years, with not a little help from oil income on the one hand and a number of British military and civilian advisers on the other, he has dragged Oman into the 20th century That is no small achievement.

But as a long-term ally, he has a number of disadvantages from the Western viewpoint. To begin with .the rest of the Arab world dislikes his proud isolation, which has led him, among other things, to support Egypt and the Camp David agreements for peace with Israel. For another, he and some of his advisers have some pretty grandoise ideas about their role as a front-line buffer against Soviet aggression.

Fleet project

It was Oman which in midsummer proposed to the rest of the Gulf States that they should help to finance a fleet of mine countermeasures vessels for £20m each so that the Oman navy (present size, 17 ships, mostly a patrol fleet) could meet the threat of terrorism in the Straits. The Gulf States you can make with them, that

institutions in the modern were neither amused nor con-

Sultan advisers stressed

To his requests for a speedier

On to Saudi Arabia, where even Lord Carrington, who knows his Middle East, was taken aback by the strength of feeling against Egypt because of Camp David: and into the nexus of the Western world's problems over formulating a viable policy for the region. As long as the Palestinian problem remains unsolved, U.S. relations with the Islamic Middle East will remain strained and highly unstable. As long as the American diplomats are held hostage in Tehran,

pieces to this part of the jigsaw. and so many different pictures

vinced.

continuing Carrington the continuing threat posed by the militantly Marxist regime of South Yemen, which has already made one attempt to dislodge the Sultan through its support for a liberation movement in the mountainous Dhofar and is still bent on the destruction of his

there is space to point out only a few of them. How hadly shaken There are reports of the Russians building nuclear sub-marine pens at Aden, and apparently well-documented accounts of a four-day airlift of between 10,000 and 15,000 Russian troops into and out of Aden last month. The threat to the region is real enough. The question is whether Sultan Qaboos is the man to meet it.

delivery of a second squadron of Jaguars, for ground radar, and for the continued help of British military personnel, he appears to have received a positive reply. The British say there was no mention of minesweepers.

the future of the Islamic move-ment, the very question of whether there will be a future for it, will remain a matter for open speculation.

There are so many different

has the House of Saud been by

the attack on the Grand Mosque at Mecca? The signs are, severely; but it is ton early to see how it will affect the future direction of the country. How long will the Ayatoliah Khomeini live, and what will happen when he dies? Will the hostages be got out alive? If so,

to set fire to the U.S. embassy, proved his confidence. an act for which 38 of them are now languishing in President

Will the shaky regime in

North Yemen survive? Or will it fall victim to a combination of internal disintegration, to an as the new one of Russia that attack from South Yemen, or to the Pakistanis wanted to talk a combination of both? Will the about. Likewise in Delhi it was present U.S. diplomatic offenpresent U.S. diplomatic offen- the prospect of re-equipped sive in the Middle East help to Pakistan armed forces and of a unlock the Palestinian problem? Or will it, as there are already signs that it could, drive Israel further against the wall and cause a counter reaction? How long can Mr. Begin, the Israeli Prime Minister, survive a 100 per cent inflation rate? And if either his weak health or his shaky political base fail, what kind of leader will Israel

The pace of events since stabilise those parts of the resident Sadat's visit to region that seem stabilisable. President Sadat's visit Jerusalem and the Ira Iranian or out of the Middle East, can see around the next corner.

OMAN

Nowhere is this more clear than in Pakistan. Since Christ-mas, President Zia-ul Hag has found that a world which feared will the action that the U.S. has his nuclear ambitions and to take to release them lose it winced at his system of governall the diplomatic ground it has ment is queuing up to help him gained in the past month in the and his country. He is at once Islamic world? It needed only a the handmaiden of the West, rumour that the U.S. had been the Chinese, the Islamic world behind the attack on the Grand and the non-aligned movement. Mosque for Pakistani students The experience has visibly im-

Old fears

But even here Lord Carrington found that it was their old fear of India almost as much U.S.-Pakistan-Chinese axis that seemed to be occupying ques-tioners at Lord Carrington's Press conference.

But it is in Pakistan that the present thrust of U.S. policy, fully backed by Britain, is aimed. From now on, it is the integrity of countries that is to be guaranteed, with less atten-

House of Commons: Debate on the problems of the Northern Region. Bees Bill, remaining

(Metrication) Order. Opposed

Industrial and commercial

account. net acquisition of

financial assets and net borrow-

revolution and now the Russian the human rights policy and the invasion of a Moslem country nuclear non-proliferation policy the human rights policy and the has been so fast that no one, in on the shelf for the time being. It is probably the lowest risk policy available, but it is nevertheles fraught with uncer-tainty. No Middle Eastern country can afford to be seen to be too close to the United States—U.S. support for Israel on the one hand and the down-fall of the Shah on the other have seen to that. Then President Zia is not everybody's idea of a safe horse to back. It is not clear how broad is his sup-port in the country. The Pakistan Government's writ has never run in much of the mountainous region on the Afghan

INDIA

border, where tribesmen who have not heard of the Durand line control a band up to 50 miles wide along what could become a disputed frontier. To the west, several Baluchis independent-minded straddle the border with Iran. The number of stray pieces at the Pakistani end of the jigsaw is startingly large. On the aeroplane back from

New Delhi, Lord Carrington was asked where he thought the most dangerous potential flashpoint lay in the area we had travelied. He ducked the question. The only certainly is that the Are of Crisis will not tion being paid to the nature of stabilise. It is not that kind of their rulers. The aim is to jigsaw.

COMPANY RESULTS
Final dividends: Alexanders
Discount, Great Northern Invest-

ment Trust, Leda Investment Trust. Meggiti Holdings. In-terim dividends: Cray Elec-

tronics. Palmerston investment

Trust. Interim figures: Wintrust. COMPANY MEETINGS

LUNCHTIME MUSIC, London

Songs and duets by Haydn, Schubert, Schumann and

soprano, John Elwes, tenor, and

See Financial Diary on Page

BBC Concert, St. John's, mith Square, Westminster—

Smith,

(November).

Smith Square,

Brahms

Letters to the Editor

Product liability From the Secretary,

Product Liability Technical Committee, European Organisation for Quality Control

Sir.-From two items in the last few days it appears that consumer organisations. for whatever reason, seem unwilling to recognise the realities of the cost of consumer protection legislation to manufacturers and, subsequently, to the consumers themselves.

The first is the letter (January The first is the letter (January democracy? The workforce 12) from Kate Foss, of Con-cannot understand why a profitsumers in the European Com- able works on which a lot of makes a particular point about the threat of closure. the exclusion of "development facturer. The second appeared facts all too well. They have on January 14 and indicated seen management embark on that the National Consumer a huge spending spree with cost of product liability to have seen much of this wasted.

They have taken contact that the true the taxpayers' money. They have taken that that contact the taxpayers' money. They have taken that that contact the taxpayers' money.

consumers believe that the their standard of living only cost to manufacturers of amounting to 25 per cent over protection against product liability cost is that of insurance cover, it might be wise to mention one or two facts. Insurance will not cover the cost of liability for "develop-ment risk" claims; insurance will not cover any costs in-curred in any recall campaign and they can be very heavy. The American Corning Glass Company is currently involved in a recall campaign of about 18m coffee percolators at a cost

estimated at more than \$1\$m. There are, of course, the internal overhead costs which are also not covered by insurance. In one large company in the consumer industry it has been estimated that full compliance with the requirements of the EEC directive when it becomes law could amount to more than £5m per annum. On that basis it would not seem that there is much wrong with the estimate of the Economist Intelligence Unit. Except, perhaps, to say that it could well have erred on the conservative side. And all of this will have to be paid for by the consumer in the shape of higher prices. R. M. McRobb,

Glebe Cottage, Honeydon Road, Colmworth, Bedford.

Consultation on steel

From Mr. M. Godfrey Sir,—Mr. J. M. R. Carlill of the Teesside Division of the British Steel Corporation (January 15), disagrees with the paper's views on the lack of consultation within the steel industry. He claims that the -workforce have not heard " the harsh economic facts " and connaish economic facts and con-siders the Iron and Steel Trades "Confederation to be acting undemocratically in taking strike action.

This is only to be expected. management vociferously defending an unenviable track cord is too busy, as it always has been, to listen to the views of its workforce and is now trying to avoid the conquences of failure by passing the so-called experts who advo- you deserve. Good advertising House of Commons, SWI

A prime example of the to which this management can sink is the case of Consett. The harsh economic facts of Consett are that BSC has recently invested £12m there, the plant is making a profit and the workforce is dedicated and hardworking. Their reward is that Mr. Derek managing Saul, managing director, Teesside Division, has told them that their loyalty is no longer required. Four thousand workers thrown on to the scrapheap. Did Mr. Saul take a vote? Did he even ask them if they had any objections? Where is the consultation, where is the democracy? The munity Group (UK) which money has been spent is under

No, Mr. Carlill, the v risk" as a defence by a manu-understands the harsh economic manufacturers is much less They have taken savage cuts than that suggested by the in their numbers. They have Economist Intelligence Unit. As, however, it seems that They have accepted cuts in more blood as the price of failure gets higher and higher.

The sales forecasts, the production plans, the investment decisions were all made by management and by management alone. No attempt was made to involve the workforce in these momentous decisions. Where was the democracy in this? Where is the justice now in turning round to the work-force and blaming them? I put it to you, Mr. Carlill, that BSC would not be in the sorry state it is in today if there was democracy within the industry.

Consett

Sir.—Christian Tyler's article (January 15) is a fair assessment of the present crisis in the steel industry. Socialism and trade unionism, however, producing in their turn nationalisation, have a lot to answer for in this crisis.

ration), was mesmerised by the vast seaboard steel plants of Japan. This situation made the survival of Consett impossible virtually from the outset because: the ill-fated and ill-conceived Benson Committee, sponsored by the steel makers' started the rot by recommending closure; Consett was never able closure; Consett was never able to benefit from a nationalist Noel's article on December 27, lobby because the North-East, in steel-making terms, is dominated by Teesside; BSC was conditionally with Mr. Hawes more restrained with Mr. Hawes more restrained with Mr. Hawes more restrained to the little of the li tioned to believe (and prohably rebuttal of January 9 do not wanted to in any event) that the refer to the most vital ingredient ably within the overall corpora-

والمراجع والمتعارض والمتعا

was the height of commercial folly to have to import iron ore 27 miles from the Tyne.

in the late 1960s. Idealiy, howthe people of Consett, and what better combination than that of determination to win through. Immediately prior to nationalisation, although the company employed 7,000, it was run effectively by only three full-

tles as schools, parks, houses and hospitals while the local council was virtually a pocket borough. This was to many people the unacceptable face of capitalism hut often it was a benevolent

Tadcaster.

M. Godfrey (Area Sirike Committee, ISTC No. 2 Division) Drinkwater House, 210-212 Marton Road Middleshrough,

History of

From Mr. B. Asken

Nationalisation of steel in the mid-1960s produced a monolithic organisation, the Board of which (and many members are no longer with British Steel Corpoown employers' association, had

the blame on to its employees, cated, quite erroneously, that it is the outcome of the combined agency.

> Consett would not be in its present tragic situation today if more imaginative long-term plans had been evolved by BSC ever, it should have remained under private enterprise because miners and steelworkers, have a

time directors, and lean and hungry management teams are invariably highly successful In the late 19th century Consett Iron Company provided tive and cost effective.

desnotism By the time of nationalisation democracy had taken over pro-

viding a dramatic contrast. The company was then contribution rates 48 per cent of the Urban District Council's income but, of course, with no repre-sentation on the local authority. This was taxation without representation—the very cry which lost us the American colonies.

Bryan Askew. 27. Golf Links Avenue.

Government debt

From Mr. A. Gray. Sir.—By the year 2,000 the outstanding nominal British Gor-ernment debt traded on the

The relationship between now and then is a 10 per cent com-pound rate of interes, which is an estimate of the current yield on the £70hn, reinvested each year for 20 years. This is remetily the current position now that the Government is effectively capitalising all its interest pay-

The key in the extrapolation is the use of a "high interest rate" and the outcome, to me, looks very inflationary. Adrian Gray, 31, Russell Road Wimbledon, SW19.

Investing in advertising

From the Managing Director, Colt International

of good advertising. same fate would await the You don't get the advertising coming of age of a family lobby. tion plan; and it was damned by you pay for, but the advertising Frank Field

efforts of the advertiser and the

If the advertiser is ignorant and apathetic, as Mr. Sutherland suggests, then he will get what he deserves—bad advertising. It follows that if the advertising is ineffective the responsibility lies more with industrial management than with the agency. As important as the messag

itself, is the matter of it reach ing the market. If, for example you aim to sell half your output overseas don't expect publication in the UK Press to help achieve

We have worked very hard for 11 years with Mr. Hawes' agency. The results overall have been invaluable to both companies. The effort—along with the cash invested-has been most produc-

Harant, Hants.

Lobby group for families

From Mr. F. Field, MP Sir.—I am at a loss to under-stand Mr. D. G. Lindsay's letter

(January 14). The only point of substance is when he writes that there is no association representing the family through Jobs and economic survival which protest could be are far more important than channelled. I agree whole-cgalitarian socialist ideology. beartedly with this, but Mr. Lindsay is proposing abolishing the only measure which might bring such a lobby into

As I tried to explain (January 8), the introduction of the child henefit scheme has given middle class and working class families with children an interest in common-namely, the huilding up of a generous rash benefit which went to both rich and poor parents alike. Child benefit is nowhere near high enough, either to redress the discrimination against taxpavers with children which has built up in our tax and benefit Stock Exchange is going to be around £470bn. This compares with the current figure of £70bn system over the last twenty with the current figure of £70bn system over the last twenty was a control deal humanely the control of the con years or so, or to deal humanely and effectively with the incen-tive to work for those on lower

> Instead of putting his weight in support of higher child henefits, all Mr. Lindsay can do is hark back to the old system of child tax allowances. It's almost inconceivable (1 say almost herause with this Government one must now never be surprised at what it does) that child tax allowance will be reintroduced. The main task therefore is to help bring into existence a family lobby, the hasis of which has been laid by the introduction of the child benefit scheme.

> But this situation is full of frony. On a number of occasions the Secretary of State for Social Services has made it plain that he pays little attention to what is called the "poverty lobby" because they are all chiefs and no indians. The inference is that Secretaries of State only take notice. of organised groups of people who carry some political clout. And yet when individuals do form such groups — such as trade unions — the Government becomes obsessed about limiting their powers. No doubt the same fate would await the

UK: Mr. John Biffen, Chief Secretary to the Treasury, speaks at a meeting of the Banking and Finance Study Grup, Bank of England. Mr. Michael Heseltine, Environment Secretary, speaks in Leads

GENERAL.

Mr. Nigel Lawson, Financial Secretary to the Treasury, is speakers at Financial Times' two-day conference on 1980 Euromarkets, Intercon-tinental Hotel, London, W1. Union of Post Office Workers'

special conference on union structure, Bournemouth. Thomas Cubitt lecture on visit to Pakistan.

TENDERS MUST BE LODGED NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 23RD JANUARY 1980 AT THE BANK OF ENGLAND, NEW ISSUES (X), WATLING STREET, LONDON, ECAM SAA OR NOT LATER THAN 3.30 P.M. ON TUESDAY, 22ND JANUARY 1980 AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND, TENDERS MUST BE IN SEALED ENVELOPES MARKED "EXCHEQUER TENDER".

ISSUED BY TENDER OF £800,000,000

13% per cent. EXCHEQUER STOCK, 1983

MINIMUM TENDER PRICE £96.75 PER CENT.

PAYABLE AS FOLLOWS

Deposit with tender

£60.00 per cent

On Friday, 20th February 1980 Balance of purchase money

INTEREST PAYABLE HALF-YEARLY ON 22nd MAY AND 22nd NOVEMBER This Stock is an investment falling within Part II of the First Schadule to the Trustee investments Acr 1961. Application has been made to the Council of The

> THE GOVERNOR AND COMPANY OF THE RANK OF ENGLAND are authorized to The principal of and interest on the Stock will be a charge on the National Loans Fund with recourse to the Consolinated Fund of the United Kingdom. Fund with recourse to the Consolidated Fund of the life The Stock will be repeid at par on 22nd November 1983.

Stock Exchange for the Stock to be admitted to the Official List.

The Stock will be indistread at the Bank of England of at the Bank of Indiand, Bellist and will be transferable, in multiples of one new penny, by instrument in writing in accordance with the Stock Transfer Act 1983. Transfers will be free of stamp duty. Interrol will be psychile helf-yearly on 22nd May and 22nd November. Income tax will be inducted from payments of more than IS ner ennum. Interest waterings will be inancenticed by post. The first psychonic will be made on 22nd May 1250 at the rate of £3.9186 per £100 of the Stock.

Tenders must be lodged not later than 10.00 s.m. on Wednesday, 23rd January 1980 at the Bank of England, New Issues (X), Watting Street, London, ECAM SAA or not later than 3.30 p.m. on Tuesday, 22nd January 1860 at any of the Branches of the Bank of England or sit the Glaspow Agency of the Bank of England Each tender must be for one amount and at one price. The minimum price, below which tenders will not be accepted, is £95.75 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 25p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

A separate chaque representing a deposit of 200.00 per cent of the nominal amount tendered for must accompany each tender; chaques must be drawn on a bank in, and be payable in, the United Kingdom, the Champel Islands or the Isla of Man Tenders must be in seeled envelopes merked "Exchagar Tender". Tonders must be for a minimum of £100 Stock and for multiples of Stock as

Amount of Stock tendered for £100--- £2,000 £2,000--E5,000 £5,000--£20,000 £20,000—£100,000 CG.000 E100,000 or greater

Her Majesty's Treasury reserve the right to reject any tender or to ellot a least amount than that tendered for. If undersubscribed, the Stock will be allotted at the minimum price, the balance of Stock not tendered for being allotted at the minimum price to the Governor and Company of the Bank of England, least Department, if oversubscribed, all allotments will be made at the lowest price at which any tender is accepted (the allotment price), and tenders at prices above the chlotment price will be allotted in fulf.

Linters of allorment in respect of Stock ellotted will be despetched by past at the risk of the tenderer. No allotment will be made for a less emount than 1900 Stoct. In the event of partial allotment, the belance of the amount paid as decorate will be refunded by chouse despetched by post at the risk of the tenderer, it no allotment is made the amount paid as deposit will be relucted in event payment in full may be chade at any time after ellotment but no decorate will be allowed on such payment. Default in the agreent of the belance of the purchase money by its due date will render the deposit hebit to forlesture and the ellotment to cancellation.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England. New leaves. Welling Street, London. ECAM 9AA on by any of the Branches of the Bank of England, on any date out later than 27th February 1980. Such requests must be signed and must be secomparied by the letters of silotment.

Letters of allotment must be surrendered for registration, eccompenied by a completed registration form, when the balance of the purchase money is paid, driess payment in full has been made before the due date, in which case they must be surrendered for registration not later then 28th February 1880.

Today's Events

"Urban Decay—its Symptoms Middle East Construction Exand Remedies" at RSA, John Adam Street, WC2.
Trades Union Congress PARLIAMENTARY BUSINESS Finance and General Purposes

chnose?

Committee meets, London. Sir Peter Gadesden, Lord Region. Bees Bill, remaining Mayor of London, dines with the stages. VAT (Fuel and Power Gardeners' Company, Mansion House. Overseas: EEC

Ministers meet in Brussels. EEC Agriculture Council pecial conference on union starts two-day meeting, Brussels. tructure, Bournemouth. Mr. Huang Hua, Chinese Mr. Peter Shore gives third Foreign Minister, final day of

ing requirement (third quarter).

Construction — new orders Clifford Benson, piano

England, New Issues. Walling Street, London, ECAM SAA, or at any of the Branches of the Bank of England, or at the Glascow Apency of the Bank of England; at the Bank of Italand, P.O. Box 13, Donegall Place, Balicat, BT1 58X; at Multone & Co., 15 Moorgate, London, ECZR 6AN, or or only other of The Stock Exchange in the United Kingdom.

appropriation

BANK OF ENGLAND

Private Business.

OFFICIAL STATISTICS

LONDON 18th January 1980.

THIS FORM MAY BE USED

TENDER FORM This form must be indiged not later than 10.00 s.m. on Wadnesday, 23rd Januar 1980 at the Bank of England, New Insues (X), Wating Street, London, ECS SAA or not later than 3.30 p.m. on Tuesday, 22nd January 1980 at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England. Tenders must be in sealed envelopes marked "Exchaquer Tender".

ISSUE BY TENDER OF £800,000,000

13½ per cent. EXCHEQUER STOCK, 1983 MINIMUM TENDER PRICE £96.75 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND I/We tender in accordance with the terms of the prospectus date 18th January 1980 as follows:—

Amount of Stock tendered for £100--£2,000 £100 AMOUNT OF STOCK £2.000--05.000 EECO 65.000—620.000 £1.000 E20.000-£100.000 £5.000 £100,000 or oraști: £10,000

TENDER PRICE (a) The price tendered per £100 Stock, being a multiple of ZSp and not less than the minimum tender price of £98 75:—

AMOUNT OF DEPOSIT (b)

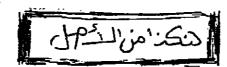
hereby engage to pay the balance of the purchase mon-due on any alignment that may be made in respect of this by the said prospecture.

I/We request that any latter of allotment in respect of Stock slich tus on sent by post at my/our risk to me/es at the address shown t

	916441 PMC	
	of, or on behalf of, tenderer	
PLEASE USE BLOCK LETTERS	• <u> </u>	:
SURNAME OF TENDERER MR/MRS/MISS OR TITLE	Arm to-e to a light design bearing the control of the control of the light of the l	
PIRST NAME(S) IN FULL	42 per - 200 f per f per 5 per 2 per 200 f per	
ADDRESS IN FULL	The Constitutions of the factors in Laws and Law	·····

price. If no price is stated, this tender will be decemed to have been made at the highlighten render rust be for one amount and at one price.

Please also sea Prospectus and Tender form for 12; per out Tressury Stock, 2663-2005 on Page 7.



Financial Times Monday January 21 1980

For the six months 21st January, 1980 to 21st July, 1980

in accordance with the provisions of the Noise, notice is hereby given that the rate of interest een fixed at 14% per cent, per annun, and that the in payable on the relevant interest payment date, 21st July, 1980 against Coupon No. 2 will be U.S. 5742.53

> The Industrial Bank of Japan, Limited Agent Bank

M. J. H. Nightingale & Co. Limited

£000's spitalisata.	Company			Gross Div (p)		P/I
4,220 A	reprung	73	· _1:	6.7	9.2	4.3
1.000 · A	mitage and Rhodes	40	+2	3.8	3.5	2.5
	ardon Hill	225	+3	13.8	. 6.	5.5
6.420 D	aborah Ord	93	',	5.0	5.4	10.2
700 D	eborah 17% CULS	350	-3 '	17.5	5.0	_
3,449 Fr	ank Horsell	92		7.9	8.5	· 5.7
	ederick Parker	108	–2	12.8	11.9	8,4
2.236 G	eorge -Blair	105	-3	18.5	15.7	
	ickson Group	60	·	5.Z	8.7	3.5
	mes Burrough	116	+1	7.2	6.2	10.2
	obert Jenkins	250	-	31.3	12.5	2.8
	orday	223	41	: 14.3	5.4	5.8:
	winlock Ord.	23	+3	0.8	3.7	4.4
	winteck 12% ULS	76	<u> </u>	12.0	16.0	٠ —
	nilock Holdings	- 56	_	2.5	4.6	-11,9

KOZANOGLU CAVUSOGLU CONSTRUCTION COMPANY LTD.

This is a correction notice for the above Company's advertisement which appears in today's Survey of Turkey.

Please note that Head Office telex numbers should read 26474 and 26318 and not 23674.

Add Tripoli Office telex number 20503.

Union Commerce Bank (Cleveland)

European Representative Office

has moved to

104-106 Leadenhall Street, London EC3

Telephone: 01-623 8341 Telex: 886339

Jack R Jessen

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 25,E.80.

Terms (years) 3 4 5 6 7 8 9 10
Interest % 13½ 13½ 13½ 13½ 14 14 14
Deposits to and further information from The Chief Cashier,
Finance for Industry Limited, 91 Waterloo Road, London
SEI 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank
of England, a/c FFL" FFI is the holding company for ICFC

PLANT& MACHINERY

1) ROLLING MILLS

12in x 30in x 35in wide x 400 hp Four High Reversing Mill. 5in x 12in x 10in wide variable speed Four High Mill.

3.5in x 8in x 9in wide variable speed Four High Mill.

16in x 16in wide fixed speed Two High Mill.
10in x 12in wide fixed speed Two High Mill.
6in x 6in x 20in wide Four High Mill.

2) CUT/LENGTH LINE 1.500 mm x 3 mm x 15 ton coll.

3) CUT/LENGTH LINE 1,000 mm x 2 mm.

4) CUT/LENGTH LINE 750 mm x 2 mm.

5) CUT/LENGTH LINE 400 mm x 3 mm.

6). WIRE FLATTENING AND NARROW STRIP ROLLING MILE two stand by R.W.F. 10in x 8in rolls.

7) SLITTING LINE 920 mm x 10 con coil by Cam.

8) SLITTING LINE 300 mm x I ton coil by Cam.

9) SLITTING MACHINES 36in and 48in by Weybridge.

10) PLATE SHEAR 4/t x Ita Cincinnati.

11) GUILLOTINE 8ft x 0.125in Pearson.

12) No. 1 FICEP SCRAP SHEAR, 75 x 35 mm Bar. 13) SHEET LEVELLING ROLLS, 920, 1,150 and 1,850 mm wide.

14) HYDRAULIC SCRAP BALING PRESS. Fielding & Platt. 15) FORGING HAMMER 3 CWT, slide type. Massey.

16) YERTICAL WIRE DRAWING BLOCKS 24in dia x 25 hps.

17) AUTOMATED COLD SAW, non ferrous. Noble & Lund.

18) WIRE DRAWING MACHINE, MARSHALL RICHARDS VARIABLE SPEED 6 BLOCK PACEMAKER (25 hp x 22m. in line,

non-slip Drawblocks).

19) 1972 WIRE STRAIGHTEN AND CUT-TO-LENGTH MACHINE Capacity 10 mm dia, m.s.

20) TWO HORIZONTAL DRAW BLOCKS 36in and 24in, Farmer

21) WIRE DRAWING MACHINE 9 DIE cone type Unity. 22) WIRE DRAWING MACHINE 15 DIE cone type. Marshall

23) NINE BLOCK WIRE DRAWING MACHINE AND SPOOLER

by Barcro (24in x 25 hp drawblocks).

24) TWO TAPE ROLLING MILLS by Deco (158 x 100 mm x 15 hp. 15 hp. 15 hp. 15 hp. 15 hp. 15 hp. 16 hp. 16 hp. 17 hp. 18 h

Wednesbury Machine Co. Ltd. Oxford Street, Bilston. Tels: 0902 42541/2/3. Telex: 336414

WICKMAN 11 65P AUTOMATIC, reconditioned to maker's limits. WICKMAN I 65P AUTOMATIC, Rebuilt to maker's limits WICKMAN 21 65P AUTOMATIC, reconditioned to maker's limits. CONOMATIC 31 6 SPINDLE, reconditioned to maker's limits. RHODES 80 TONE PRESS, adj. stroke, roll feeds. As new, HME 200 TONS PRESS TYPE C28, roll feeds. Excellence NATIONAL COLD HEADERS in x fin dia. Recond. Excellent 200 TON HYDRAULIC PRESS, bed 36in x 22in, Excellent. 450 TON HYDRAULIC PRESS, bed 36in x 24in. Excellent. AIR COMPRESSORS (2) 400 p.s.i. 400 c.f.m. Oil free, 3-stage. 1,000 h.p. motors. Complete installation including air receivers.

> Rolls Tools Ltd. 154/4 Blackfriars Road, London SEI SEN Tel: 01-928 3131. Telex: 261771.

Sotheby backs confidence with higher spending

gramme at Sotheby Parke Bernet Group, some £5.1m for the current year, against £1.69m, best expresses the group's confidence for 1979-80, Mr. P. C. Wilson. chairman, tells members in his

The major part of the programme is in connection with further expenditure on Sotheby Beresford Adams, the Aeolian Hall, and on the new property in New York—last August a 30-year leasehold interest was acquired in 1,334, York Avenue at 72nd Street, and the group has agreed to exercise an option to purchase the freehold for \$8m. " It is proposed to make special financial arrangements with our bankers for this project," Mr.

Wilson states. Net auction sales, excluding real estate, have risen from \$71.75m to £94.34m for the first four months of the current year, the most significant feature being the 72 per cent advance in U.S. and Canada sales from \$27.39m to £42m, the chairman

Cook, chairman, tells members,

The acquisition of Ian Yates

and the further development of

the Wynd Up record business.

on the wholesaling side, will add

significantly to turnover and

In retailing, the group has

more outlets—a net increase of

36 branches brought the total to

444-increases in cover prices of

newspapers and magazines has

improved margins, and with more

stability in the cigarette market,

returns there are also better, he

far, are running some 28 per cent higher than the same period

NOTICE OF ISSUE

last year, the chairman adds.

profits, he explains.

and he is confident the group and higher can do better on the retail side. Cook says.

BOARD MEETINGS

The following companies have notified dates of Soard meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based meinly on last year's timetable.

TODAY Interims — Cray Electronics,
Palmerston Investment Trust.
Finals—Alexanders Discount, Great
Northern Investment Trust, Leds Investment Trust, Maggitt.

FUTURE DATES Finel— imellahaw (R.) (Knitwaar) Jan. 24

is generally vulnerable to the Meeting, 34-35 New Bond "continuous pressures of infla-tion." However, the directors 4.30 nm But he warns that the group of Westmorland.

THE MAIN thrust in the current "With a restructured manageyear at NSS Newsagents will be ment . . . I believe we shall tion for loss of office.
in wholesaling, Mr. P. H. Byammove forward again this year. Meeting, Ryde House, Chob-

Our aim is higher earnings . . .

As reported on December 12,

second half profits of £1.93m (£1.79m) lifted the total for the

year ended October 31, 1979 to

£4.05m (£3.72m) on turnover well ahead from £56.65m to £72.77m.

The dividend is increased to

2.85p (2.37p). Hit by strikes and bad

weather, the group's rate of pro-

gress slackened in 1978-79, but the chairman expects it to pick

As at balance date there were net current liabilities of £560.000

secured bank overdraft was

up again in the current year.

£1.6m (nil).

and higher dividends," Mr. Byam- 2.30 pm.

NSS pushes wholesaling side

remain optimistic for the rest Mr. Wilson says the date for le hearing of the buyers'

rium case is set for October,

As reported on January 11, despite lower second half profits, pre-tax earnings for the year ended August 31, 1979, rose from £7.02m to £8.23m. Net auction sales amounted to £186.4m against £161.1m. The dividend is lifted to 11.5p (9p) net per share with a final of 8p.

As at balance date where there were net current assets of £6.57m (£6.64m) — bank overdrafts amounted to £4.04m (£1.88m). On a CCA basis profits are reduced to £7.11m (£6.39m) after extra depreciation of £242,000 (£254,000), monetary working capital, £994,000 (£408,000) less gearing £112,000 (£30,000).

Mr. Wilson is to retire as chairand will be succeeded by the Earl

ham, Surrey, February 12, at

The following securities have

Carr Boyd Minerals (Section:

been added to the Share Infor-

mation Service appearing in the

FT Share

Service

Financial Times:

investment income. Thus it is extremely unattrac-tive to members of the public, but to a company paying mainstream corporation tax and dividends its grossed-up return is over 20 per cent. Felixstowe itself, so long as it has no mainstream corporation tax to meet, is paying an effective 13.8 per cent running costs. The success of the tender will depend on the fixed interest markets in general over the next couple of days, but it is fully underwritten; the coupon is half a point above what a water company could

WALLIS GROUP The offers by Sears Holdings for the capital of Wallis Fashion Group having become wholly unconditional. Lord Mancroft, Mr. B. H. Osoff and Mr. A. W. Smith have resigned as directors of Wallis. Mr. G. Maitland Smith, Mr. D. J. R. Ward and Mr. H. S. Perlin have been

agreed to provide any necessary funds required to redeem the stock and to pay any arrears of dividend on such redemption.

comment

The Felixstowe Dock issue is being brought to market by Seymour Pierce the specialists in waterworks debt and is designed to appeal to the same investors—those in search of expect to pay at present.

Felixstowe

tender

aise £6.5m.

Dock £6.5m

AN OFFER for sale by tender is being made by The Felixstowe

The issue is of 9.5 per cent Cumulative Redeemable Prefer-ence Stock 1984 at a minimum

price of £98 pe rcent, redeem-able on December 31, 1984, at

Tenders for a minimum of £100

stock have to be made before

January 24 with a deposit of £10

per cent on application. The

balance of the purchase money will be payable by February 14.

to £3.62 per cent, payable on July 1, 1980. Subsequent divi-dends will be payable half-

yearly on January 2 and July 1. European Ferries, which owns

99.89 per cent of the equity, has

The first dividend will amount

and Railway Company to

appointed to the Board

cent is reasonably conservative and the group is in a sound posi-

reserves

the balance sheet presents a more realistic view of the group's financial strength, the chairman says. The gearing ratio at 35 per tion to cope with all its likely requirements.

77.5 52.75 78 52 178 110 136 73 130 115

Banco Bilbeo Banco Castral Banco Exterior Banco Ind. Cat ... Banco Ind. Cat ... Banco Santander. Banco Vizcaya Banco Vizcaya Banco Vizcaya Banco Zaragoza Dragados Zne Espanela Zne Fetsa Gal. Preciados Hidrola Iberduaro Petrolaos Paroliber Sogefisa 286 200 174 135 213 175 348 203 280 165 285 202 261 195 220 100 39 58 49 76 23.5 showing a surplus over net book values of £13.5m. The group also adopted SSAP15 which resulted in the transfer of £7.68m to As a result of this tidying up.

CompAir sees

improved year

Raeburn

earns and

pays more

TAXABLE REVENUE of Bac-

burn Investment Trust advanced from £2.02m to £2.9m in the year to November 30, 1979.

After tax of £1.04m (£773,491)

earnings per 25p share are stated up from 442p to 6.71p. Net asset value is 157.5p against

168.7p.
The dividend is stepped up from 4.05p to 6.35p with a final of 4p, which includes 0.9p in respect of dividends received from Shell and Unilever.

CARTER/WESTGATE

Westgate Refrigeration of Cardiff, has become a subsidiary

of Carter Thermal Industries Group, based in Birmingham.

In addition to his group pairmanship, Mr. W. H.

chairmanship, Mr. W. H. Rollason, is appointed chairman

Westgate will provide facili-ties for Carters extending its

range, aimed at the hotel, restaurant and licensed trades.

of the new subsidiary.

to face severe competition in the industrialised countries, the

group has a relatively strong position overseas, Sir William Mather, the chairman, says in

"On balance, we hope to see an improvement," Sir William

greater emphasis to measures to raise the level of asset utilisa-

tion and to reduce costs, says. Mr. A. F. Masters in his chief

Despite the limited scope for

further sales expansion in the

year ahead "we believe that by

these means, we may be able to

achieve an advance in profits,"

down from £11.58m to £8.36

despite a rise in turnover from

reduced to £4.1m (£7.3m) after

adjustments for depreciation;

£1.3m (same), cost of sales

£4.9m (£4.5m) and gearing, £1.9m

During the year plans were

completed for a major reorganisation of the UK distri-bution network Some 30 distri-

butors will progressively take on

combined franchises for the group's standard products leav-

ing the Compair sales force free to concentrate on buyers with

nificant changes to the balance

was to increase shareholders' funds by £5.88m.

incorporation of a revised valua-tion of the group's properties

The major item was the

sheet, the net effect of which

There were a number of sig-

specialised requirements.

Profit on a CCA basis is

For the year ended September 30, 1979, pre-tax profits were

his annual review.

executive's review.

Mr. Masters says.

£147.35m to £153.56m

(£1.6m).

Mines-Australia). Lontrim Group (Industrials).

Madison Fund (Overseas-New York).
PHH Group (Overseas—New of Wallis York)

accounts also show

ABRIDGED PARTICULARS

Full particulars of the Stock are available in the Extel Statistical Service and may be obtained during usual business hours from Messrs. Seymour, Pierce & Co., 10 Old Jewry, London EC2R 8EA.

The Felixstowe **Dock and Railway Company**

(Incorporated in England on 19th July, 1875, by Special Act of Parliament) OFFER FOR SALE BY TENDER OF £6,500,000

9.5 per cent. Cumulative Redeemable Preference Stock, 1984 (which will mature for redemption at par on 31st December, 1984)

Minimum Price of Issue £98 per £100 of Stock

Yielding at this price, together with the associated tax credit at the current rate, £13-84 per cent.

The issue has been underwritten by Seymour, Pierce & Co.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 1 of

A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender, which must be sent to Lloyds Bank Limited, Registrar's Department, Issues Section, 111, Old Broad Street, London EC2N 1AU in a sealed envelope marked "Tender for Felixstowe Stock" so as to be received not later than 11 a.m. on Thursday, 24th January, 1980, before which no allotment will be made. The balance of the purchase money will be payable on or before Thursday, 14th February, 1980. Tenders must be for a minimum of £100 Stock applied for and above that in multiples of £100. A rate remittance must accompany each Tender, and Tenders at different prices must be made on separate forms. DIVIDENDS This Stock is entitled to a cumulative preferential dividend at the rate of 9.5 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the present rate of Advance Corporation Tax (3/7ths of the distribution) is equal to a rate of 4 1/14 per cent. per annum. The preferential dividends are payable in priority to dividends on the ordinary capital of the Company.

The first dividend on this 9.5 per cent. Cumulative Redeemable Preference Stock, 1984, covering the period from the 24th January, 1980 to 30th June, 1980, and amounting to £3 62 (the associated tax credit at the present rate being £1-55) per £100 of Stock, will be payable on 1st July, 1980. Thereafter dividends calculated to 31st December and 30th June will be payable half yearly on 2nd January and 1st July in each year.

GUARANTEE OF REPAYMENT AND DIVIDENDS

European Ferries Limited ("EFL"), which owns 98-89 per cent. of the issued share capital of the Company, has agreed to provide any necessary funds required to redeem the 9-5 per cent. Cumulative Redeemable Preference Stock, 1984 and to pay up any arrears of dividend on such redemption.

BUSINESS AND HISTORY

The Company (incorporated as the Felixstowe Railway and Pier Company in 1875) carries on, under statutory powers, a port undertaking at Felixstowe. In 1951, Mr. Gordon Parker, now Life President, acquired control and a comprehensive programme of rehabilitation and development was commenced. This has resulted in the Port of Felixstowe becoming amongst the most modern and efficient port complexes in the world.

In November 1971 EFL acquired all the share capital of Atlantic Steam Navigation Company Limited ("ASN"), which operates under the name "Townsend Thoresen" and provides a regular roll-on service for commercial and tourist traffic. In March 1976, pursuant to an offer, the Company became a subsidiary of EFL.

The Port now contains over 4,000 feet of quay space and berths at depths between 22 feet and 33 feet at LWOST. In addition, there is nker berth suitable for tankers up to 25,000 tons deadweight. Services from the Port principally consist of container, roll-onfroll-off and general cargo services to North and South America, ope, Scandinavia, West Africa, the Mediterranean, the Middle and Far East, localed and the Caribbean together with car and passenger y services to Europe and Scandinavia.

The present indications are that the growth of traffic over the next five years will result in the Port handling in excess of 8 million tons of cargo, including some 400,000 containers, by 1985. In addition it is estimated that about 850,000 passengers will have passed through the passenger terminals in 1979 with at least 1 % million by the mid-1980's.

The Felixstowe Dock and Railway Act 1979 recently received the Royal Assent. It empowers the Company to build a further 3,500 feet of quay as an extension of the Northern Development. The Company's immediate proposal is to construct about 1,400 feet of new quay wall and reclaim about 60 acres of seabed and foreshore. Harwich Harbour Conservancy Board ("the Board") have agreed to dredge the main channel to an increased depth of 30 feet at LWOST. The Board have obtained finance for the purposes of this dredging and the Company has egreed to guarantee the repayment of an estimated £3.75 million of capital together with interest on this finance in so far as the repayments cannot be met by the Board out of certain agreed revenues. As part of the arrangements with Orient Overseas Containers (Holdings) Limited referred to below it has agreed to guarantee the Company's liability to the Board. The first 400 feet of the new quay structure and back up land will be used as an overspill container terminal for new and existing customers with a deep water berth of some 33 feet at LWOST.

ORIENT OVERSEAS CONTAINERS (HOLDINGS) LIMITED ("OOCHL")

OOCHL, one of the C.Y. Tung Group of companies, is a holding company, incorporated in Hong Kong, which owns majority shareholdings in certain companies which are owners or charlerers of the OOCHL ships. The Company has entered into an agreement with OOCHL under which the Company undertakes to provide 1,000 feet of new quay with a new terminal, which will be leased to OOCHL, or one of its subsidiaries, for a period of 35 years.

The Company has also entered into a 35 year agreement with OOCHL ("the Management Agreement") for the provision of labour and other services in relation to the new terminal.

PROFITS AND PROSPECTS

The Directors estimate that, in the absence of unforeseen circumstances, the surplus before taxation of the Company for the year ended 31st December, 1979 will be similar to that for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be no taxation of the Company for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be no taxation of the Company for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be no taxation of the Company for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be not taxation of the Company for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be not taxation of the Company for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be not taxation to the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be similar to that the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that the year ended 31st December, 1978 which amounted to £1,478,000.

The Felixstowe Dock and Railway Company. European House, The Dock, Felixstowe, Suffolk 1P118TB

Notes belonging to Redemption Group No. 2, being the last redemption group, will be redeemed on and after

March 15, 1980 in accordance with the Terms and Conditions.

amro bank

Dfls-60,000,000

6 1/4 % bearer Notes of 1973 due 1977/1980

AMSTERDAM-ROTTERDAM BANK N.V.

Amsterdam

Amsterdam-Rotterdam Bank N.V. (Central Paying Office) in Amsterdam anđ

Banque Générale du Luxembourg S.A. (Paying Agent) in Luxembourg.

January 21, 1980.

Property Security **Investment Trust** Limited

Interim Report

Increased profit before dealing and extraordinary items

Gross rental income up by 21%

Interim dividend 0.5p per share (1979 same)

	6 months to 30-9-79 (unaudited)	6 months to 30-9-78 (unaudited)	Year to 31-3-79
	£000′s	£000's	£000's
Gross rental income	2,131	1.757	3,735
Net property and investment income a administration expen	fter ses 1,811	1,498	3,089
Interest	1,650	1,483	3,182
Profit/(loss) before dealing and extraordi	nary		
items	236	78	(130)
Dividend: preference erdinary	49 · 114	114	49 365
Per ordinary share	0.50	O Fo	1.60

other services in relation to the new terminal.

FINANCING OF THE NEW DEVELOPMENTS

It is estimated that fine cost of all the proposed new works, including pre-completion interest, will be approximately £27 million. Of this £27 million. Finance for Shipping Limited ("FFS") has agreed to provide a secured loan of up to £11-7 million. The loan which is guaranteed by £FL is to be repaid by £5 half-yearly instalments commencing on or about the 30th June, 1984. As a condition of the loan from FFS, £FL has agreed that £7.5 million of the secured loans (together with the amount, if any, by which the net proceeds of this issue fall below £6 million) which it has made to the Company will not be repayable until the loan from FFS has itself been repaid. A further £9-5 million of the total cost relates to plant and equipment. Of this sum £4 million will be serviced by the Company under leasing facilities and OOCHL will provide the balance of £5-6 million. The remainder of the finance will be provided by the proceeds of this issue and from the Company's own resources. It is expected that the total capital cost, excluding pre-completion interest, of the facilities to be provided by the Company for OOCHL will amougl to approximately £11-7 million and that this amount, together with the interest-thereon, will form the basis of the rent to be paid under the lease to be entered into with OOCHL or its nominated subsidiary.

PROFITS AND PROSPECTS

Copies of the Prospectus and Tender Form, on the terms of which alone Tenders will be considered, may be obtained from:-

> Seymour, Pierce & Co., 10 Old Jewry, London EC2R SEA Lloyds Bank Limited, 33 Hamilton Road, Lloyds Bank Limited, Registrar's Department, Issues Section, 111 Old Broad Street, Felixstowe, Suffolk, London EC2N 1AU

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5.3900

7.875

5.500

5.500 5.750

13.500

INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

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P. J. Land

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34-24 61-61 PM :-

BY NICHOLAS COLCHESTER and FRANCIS GHILES

No panic selling by investors

was reported but none the more

was anyone interested in buy-

ing paper, even where it was yielding above 12 per cent. The

The lure of gross coupons

THE FLIGHT from short-term into long-term investments, which the dollar section of the which the outer section of the ingrebond market has long been looking forward to, developed with striking effect in the sterling fixed interest market last week. Since the beginning for the year the yield on the 25-year British gilts had dropped by almost 1 per cent to 13.7 per cent by the end of last week with most of the fall occurring

EAST EUROPEAN BORROWING

in the last six trading days.

The upsurge resulted from foreign as well as domestic in restment, so the moment was propitious to re-open the Eurosterling bond market after a six-month closure. It had been clear for some time that it was the borrowers who had to be attracted hafore this could

Clticorp took the plunge with the major disincentive posed by \$50m bond for 10 years at 131 net interest payment, with per-cent coupon - a block- Germans talking of "months"

the launch, but by the end of fidentiality.

The market was alive with but the rise in prime rate to the launch, but by the end of the week gilts were marching firmly in the right direction again. The big bond was said to be selling moderately well: with a selling period stretching until Tuesday week there is no

The yield on the Citicorp bond. of up to 13.75 per cent, depend of the "hands-off" ing on the selling concession which the bank has and final terms, is paid gross and this means that comparison with the gilt 13 per cent 1990, which yields 14.4 per cent (AIBD basis) but interest on which is paid net of tax, is problematic. A straw poll of Continental bankers revealed

buster for a sector with Euro- spent in arranging refunds from sterling's chequered reputation, the Inland Revenue, and with rose by an unheard of \$210 to bank FRN notes.

A hiecup in the gilts market on the Swiss objecting to the Thursday appeared to jeopardise required breach of coproduct of sterling to the larger bust by the bank of sterling to the remote from last week's events, little interest was shown by

rumours of other Eurosterling 151 per cent announced by issues, but none materialised. First Chicago last Friday was It is clear that the Bank of the smoke signal many had England how wants to keep been waiting for: a further rise itself better informed of the in U.S. interest rates is widely hurry for investors to commit future demands that may be themselves. made on the Eurosterling sector. This slight modification attitude which the bank has adopted till now is due to the abolition of exchange controls. Eurosterling issues now compete for funds with domestic sterling

only new issue last week was a \$30m seven-year floating rate Other sectors of the market of the market of were stunned into a state of which included a minimum "Carter bonds." The complete inactivity—at least on coupon of 5½ per cent and an tranche of this issue of the trading front—as investors and speculators continued to the three-month interest rate. These terms were very much in absorb DM 2bn word "Carter bonds." The transport of this issue of the three-month interest rate.

remote from last week's events, little interest was shown by investors, particularly at the beginning of the week, in FRN notes the coupons of which are due to be readjusted during the next few weeks.

The launching of a DM 150m public offering for Oster-reichische Kontrollbank and a DM 50m bond for Jutland Teleexpected and straight dollar bond prices responded by shedding 1-1 a point on a day. phone brings the volume of new foreign bonds floated during the past three weeks to \$1.12bn, the highest figure in 12 months.

No new D-Mark foreign bonds are expected to be launched this week as the market will have to absorb DM 2bn worth of "Carter bonds." The first tranche of this issue of U.S. Treasury bonds in the German domestic capital market was

BY FRANCIS GHILES

No cold war with credits

LENDING TO Eastern Europe will breadly withstand the Russian invasion of Afghanistan, hif borrowers in Eastern Europe will have to pay higher interest rates on their loans, and will be faced with shorter maturities, according to

Last year East European countries raised an estimated \$3.6bn worth of loans in the international capital markets. Their net hard currency debt at the end of 1978 was estimated at \$55.7bn and the figure is believed to have topped \$60bn last year.

Both the size and competition of the hard currency debt run up by the various East European countries varies a lot. The largest gross debt figure (i.e. which does not take into account the deposits the debtor might have in Western banks) is that of Poland, estimated to have reached \$18.5bn at the end of 1979. Of this total, \$12bn is ratio (54 per cent of hard curaccounted for by Exim and sup-plier type credits and the belance by financial credits, one-

only a week ago that his country the USSE, it benefits from a would need to raise \$5bn in "prejuge favourable" in 1980 to finance in trade deficit Western banking circles. und service its existing debt. But there is another possibly believed to be higher than that bankers relish in more settled Polish figures of debt service more fundamental reason why of Poland. Because it is pos-

D GURRENCY DEBT OF EAST Iropean Countries CUMULATED TRADE DEFICIT OF COMECON COUNTRIES WITH OECD 1974-70 AS RATIO OF EXPORTS 5002-70 OECD IN 1978 TOTAL ECHANGE TRACE WITH WATER

rency exports last year and higher margins on the loans its expected to rise) are the only raises in the West than other ones Western bankers are at all fifth of which is in the form of sure of. Because Poland has able to find the money it needs. short-term—under 12 months—opened its books to a greater Bankers accept that, refusing to extent than its neighbours have lend to Poland would amount to Mr. Henryk Kiesel, Poland's and because the country is not Minister of Finance, confirmed viewed as a hard line ally of face.

Poland, which has been paying East European countries, will be Bankers accept that, refusing to cutting their nose to spite their

Bulgaria's debt is much smaller (\$4.5bn) but the country's debt service ratio is

) 90% 91% -0% 0 8.55) 85% 85% +0% +0% +0% 3.55 2 97% 98% 0 -0% 7.59) 85% 50% +0% +0% 8.84 0 87% 88% 0 0 8.96 . On day 0 on week +0%

sibly the closest ally the USSR has in Eastern Europe, its powerful neighbour could be expected to help out in case of repayments difficulties. Many bankers argue that its closeness to the USSR will make it more difficult for Bulgaria to raise loans. What bankers agree on is that it will now have to pay way above the margin it signed loan, which had a split margin of 1-1 per cent above the interbank rate for 10 years.

Many bankers also feel that the other close allies of the USSR could find it difficult to raise loans in the next few months. Czechoslovakia may not suffer. It has the smaller debt of all East European countries and is not expected to borrow much in the next few

East Germany may feel the pinch. One senior West German banker put it bluntly. "We should register our disaproval by staying away from the Olympic Games and not partici-pating in syndicated credits for USSR and its close allies for the time being." It would be ironic if subsequent events were to vindicate this view, as East Germany is by common consent the soundest run economy in Eastern Europe,

If the view expressed above prevails-and only French bankers are adamant that it is "business as usual"—then Hungary and Romania should suffer less than the aforementioned.

more than most in the East, if not as much as Poland to Western bankers and Romania. obtained on its most recently both on account of its foreign signed loan, which had a split policy and the fact that the bulk of its \$5bn debt accounted for by loans from the World Bank and the IMF (\$1.57bn) and suppliers and Exim type credits (\$2.5bn).

> the edge off the credit weapon is that the USSR would barely feel its impact. The USSR had a gross hard cur-rency debt of around \$15bn at the end of last year, from which about \$5bn worth of deposits in Western banks must be subtracted. It repaid some of its loans in advance last year and the net exposure of U.S. banks to Soviet risk stood, at the same date at the low figure of \$815m. The USSR is not expected to need to borrow this year in the international capital markets, not least because of the huge rise in the price of gold and other

Hungary has opened its books

OFFICIAL confirmation that point in a moderate recession, short-term rates at a time of the U.S. economy is still not in recession was enough to send already nervous bond traders

U.S. BONDS

Borrowers

D-MARKS

‡Norway ‡IADB

U.S. DOLLARS

†Banco de Bogotá §Ajinomoto Co. Inc.

†Nippon Credit Bank Fin. NY

SWISS FRANCS

Intl. BY

1Bombardier inc.

Citicorp O'seas Fin. Corp.

**World Bank

STERLING

YEN

(g'teed Austria) utland Telephone Co.

tjuttand Telephone Co. †Generale Occidentale

of last week. Although the Commerce Department's final figure on The irony which really takes

> Other indicators of stronger than expected economic growth at the end of last year, such as a pick up in housing starts and a lower than expected fall in M1 money supply (which fell by \$700m in the last reported week), appeared to convince the markets that the twin beast of higher inflation and high interest rates are not respond-

The evidence of continued Chase Manhattan's money coming calendar of government, economic growth in a quarter, market department sees these utility and corporate issues will which in mid-1979 was being forecast by many as the low the seasonal depression in

99.95

BY IAN HARGREAVES

Chemical Bank

5. G. Warburn

Deutsche Bank

UBS CCF (Suisse)

Soditic, Credit Lyonnais 5.875

UBS

Nikko Secs., Merrill

Lynch, Nomura

Scamper for cover

Note: Yields are calculated on AIBD basis.

CURRENT INTERNATIONAL BOND ISSUES

51

Maturity

1990

†† Registered with U.S. Securities and Exchange Come

scampering for cover at the end

Commerce gross national product growth in the quarter-1.4 per cent at an annual rate --- was a little lower than officials' recent estimates, it was enough to send yields on some long-term bonds above the highs they hit last autumn, following the inflation

October 6.

ing to the Fed's medicine.

in money market rates. has resulted in a somewhat conpoints or more below peak

INTEREST RATES COMPARED

fighting package announced by Three-month Treasury
the Federal Reserve on bill 12.04 11.72 Three-month commercial 13.0 13.0

13.62 13.26 average 13.62 13.26 Treasury 30-year bond 10.43 10.23 Long-term AAA utility 11.50 11.35 Long-term AA indus-trial 11.13 10.90 Source: Salomon Bros. Estimates.

levels of early November, while sticky moments in midweek and long-term corporate bond yields there is some concern in the have pushed to new highs.

came at a period of divergence heavy volume of corporate bond sales.

With investors still nervous fused pattern, with short-term about longer term issues, de-rates still running at 100 basis mand for short-term notes has remained relatively strong, but Chase believes that the normal market process of bringing short and long-term trends into line is more likely to be achieved by higher short rates than by a drop in long yields.

By the end of the week high grade corporate long-term issues were yielding as much as 15 basis points above their autumn 1979 peaks, although long government bonds and municipals were still slightly under their high points.

Last week's major issue of \$450m of Bell Telephone 112 debentures was virtually sold out by the end of the week at its record yield of 11.4 per cent in 40 years. The sale was not achieved, however, without some markets that the heavy forthincongruities arising partly from press the market too hard too

FT INTERNATIONAL BOND SERVICE

OTHER STRAIGHTS Issued Rid Offer

U.S. DOLLAR	Change on
STRAIGHTS - lesued	Bid Offer day week Yield
Alcos of Australia 10 89 60	89', 89', -0', -0', 11.86
Alex Howden XW.95 51 30	176 77 +04 -15 13,66
	951 952 -14 -14 12.48
Australian Res. 93 84 30	913 917 -03 -02 12.09
Aven 0/S Cap. 104 87 49	81 82 -0 -07 14.44
Beneficial Fin. 94 87 100	887, 891, -01, -07, 12,00
QECA Grad. Rate 12 86 - 100	96 96 -0 -0 12.81
CECA 92-99	
	179% 80% -0½ -1 12,90 .
	885 894 - 64 - 1 11.75
	887, 89% -04, -03, 12.25
Comulco Inv. E. 104 91 40	891, 90 -01, -07, 11.91
Continental Grp. 95 86 100	89's 89's -0's -0's 12.06
Dome Petroleum 10 94 50	874 874 -04 -14 11.82
Dominion Bridge 10% 84 30	944 944 -04 -04 11 88
EIS 111, 92	90° 96° - 0° - 0° 12.30
EIB 10 99 150	847 857 -04 -07 12.41
EB 40 87 100 EB 10 15 99 100	91 912 -04 -07 12.27
EIB 10.15.99	85% 85% - 0% - 0% 12.43 95% 96% - 0% - 0% 12.13
Elegatina 11 y 87	951 961 -00- 12.13
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Digitors Dv. Com. 97, 84 150	927 937 -0" -0" 11.72
1980000 3F 00	87 874 -04 - 05 12.23
GTE. Finance 91, 89 55	887 894 -04 -07 11.69
GMAC 94-86	885, 895, -02, -05, 11:79
GMAC 6/5: Fin: 11: 84 100	967, 977, -01, -01, 11.79
Gould Int. Fin. 94 85 50	914 924 -04 -05 11.91
!TT Antilles 9 89 75	387, 887, -04, -04, 11.94
Kennecott Int. 9'2 86 106	864 874 -04 -05 12 60
Manitoba 91 ₂ 89 75	95% 86% -0% -0% 12.07
Michalin 10 94 125	873 884 -04 -04 11.76
Net. Des: Telecm. 91, 86 100	892 90 -02-07 11.84
New Brunswick 94 94 75 -	85 85-2 - 0-2 - 0-2 11.95
Newfoundland 10 94 50	88 88-2 -01- 11.73
Norges Kemm. 97, 99 100	84 85 -04 -14 12 29
Norway 9 84	. <u>92</u> 921, —01, —01, 11.88 [
Nove Scotie Pwr. 94 89 50	-87% 85% 0% 0% 11.93
Occidental Fin. 107, 84 50	934 944 -04 -04 12.09
Orient Leasing 91, 86 25	28 281, -01, +01, 12.20
Pennwalt O/S F. 94 84 25	917, 921, -61, -01, 12.14
Papaico Cap. 94 84 100	92 2 92 - 04 - 07 11.67
Quebec Hydro 10 99 75.	843, 853, -1 -13, 12.01
Sears Boebuck 9 82 150	94 941 - 01 - 01 12.28 [
Statoil 95, 89 100	881, 885, -01, -01, 11.69
Sweden 94 89 100	884 885 -04 -04 11.80
Sweden 91, 85 200	253 903 -04 -04 12 17
Sweden 91 84	927 934 - 04 - 04 11.74
Unilever NV 93 87 100	87' 883 -03 -03 11.69
Warner Jamhert 9-84 100	91 913 -04 -03 11,59
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DEUTSCHE MARK

STRAIGHTS

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Argentina 72 89... 150

Asien Dav. Bk. 74 89... 100

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Aumar 5 89	50 ·	897	893	-4%	-54	6.52	
Australia 35 89	250	914	914	107	-84	4.82	
Bargen, City of 4% 91	40	957.	. 86 %	-04	-0,8	5.20	
BNDE 5 89	75	8612	875	-02	一1%	6.90	•
BMW Oversess #4 81	100	93	93 ⁷ 2	-01	-21	5.02	٠.
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Council of Eur. 5 89	100	95%	957	0;	-04	Ş.5 8 .	
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EB 47 94	700	85	85%	-15	-24	5,89	•
Elet. de France 44 89	100	94	94.	-11-	-4	6.15	
G78 41 89	100	907	. 915	-04	-14	5.46	
GZB 44, 89	35	95%	. 957	+04	+13	4.74	
ICI Fin. NV 3- 94	230	797	80°s	- 1% ·	24	5.58	
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Malaysis 5 89	80	881	887	-04	~1%.	6.66	
Nippon Tel. & T. 44 89	100	9 <i>P</i> 2			一1%		-
Nordic Bank 5 89	45	991,	993	-Œ	-7	5.05	
Massas Variety 43, 81	100	901.	91	-0%	1	5.46	
Norges Komm: 4% 81	100	835	837	0	-14	5.76	
OK8-3% 91		89	ŽΦT.	-04	—05 <u>-</u>	5.67	
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Oslo, City of 44 91		943	·	- 13.	-05 -24	5.43	
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Staweeg 4% 91	60		447	- 47	_21		-
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Water for house and a		-					

1 11.75	OTHER STRAIGHTS Issued Bid Offer day week Yield
03, 12,25 07, 11,91	Avco Fin. 104, 88 C\$ 25 88 884, +01 0 13.00 Bell Canada 104, 86 C\$ 60 924, 934, -04, -04, 12.3
0*2 12.05	Fx. Dev. Con. 10 84 C5 50 931 932 403 403 13.0
11, 11.82 01, 11.88	FST. Can. Inv. 10 84 CS 50 90% 91% 0 0 12 7
ው _ድ 12.30 ውኔ 12.41	Hudson Bey 10 ¹ 2 39 CS 60 89 ¹ 2 90 ¹ 3 -0 ¹ 4 -0 ¹ 4 12.3 Quebec 10 ¹ 4 86 CS 56 90 ¹ 5 91 ¹ 2 0 -0 ¹ 4 72.3 R. Bk. Canada 10 86 CS 40 81 ¹ 2 32 ¹ 2 0 -0 ¹ 2 11.8
07, 12.27	Quebec 104, 88 CS 59 904, 914, 0 - 64, 72.3 R. Bk. Canada 10 86 CS 40 914, 924, 0 - 01, 11.8 R. Bk. Canada 10 94 CS 40 844, 854, -01, -01, 12.2
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* No information availableprevious day's price. nly one market maker supplied a price.

AIGHT BONDS: The yield yield to redemption of the ice; the amount issued is ions of currency units exor Yen bonds where it is ions. Change on week= over price a week earlier

ATING RATE NOTES: inated in dollars unless ise indicated. Coupon is minimum. C.dte=Date oupon becomes effective. = Margin above six-month rate (‡ three-month; mean rate) for U.S. C.cpn=The current C.yld=The current yield.

VERTIBLE BONDS: Deated in dollars unless ise indicated. Chg.day= on day. Cnv. date=First or conversion into shares. rice=Nominal amount of per share expressed in y of share at conversion ed at issue. Prem=Per-premium of the current ve price of acquiring via the bond over the ecent price of the shares.

list shows the 200 latest tional bonds for which equate secondary market The prices over the past The prices over the past were supplied by: Arab my for Trading Securities Kredietbank NV; Credit ercial de France; Credit eis; Commerzbank AG: he Bank AG; Westdeutsche bank Girozentrale; Banque eilonale Luxem bourg: iet bank Luxembourg: etbank Luxembourg; ne Bank Nederland NV; the Bank Nederland NV.
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ing prices on Janua.



All these Notes have been sold. This announcement appears as a matter of record only.

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Companies and Markets	WORLD STO				TADAN
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19 1358 Colgate Palm 1378 2934 224 Gould	7614 6515 Merck	224 144 Yellow Frt Sys 164 286 1356 Zapata 285 1512 94 Zenith Radio 1012 9978 943 U.S. Trs 42 1980 9978 AUSTRIA 1979-80 Jan. 18 Price High Low 2 344 335 Creditanstalt 267 244 262 Perimoser 278 111 66 Semperit 109 240 200 Steyr Daimler 235 359 241 Veltscher Mag. 359	2,041	2,75 2.01 Boral Hidgs 2.50 3.17 2.50 1.66 Brambles Inds 2.10 3.50 1.65 Brambles Inds 2.10 3.50 2.50 8.54 BHP 18.20 0.25 0.11 Brunswick Cil. 0.24 5.38 2.62 Csr 2.00 1.35 1.27 Cockburn Cemt. 1.35 1.27 Cockburn Cemt. 1.35 1.27 Cockburn Cemt. 1.35 2.42 1.87 Coles (G.J.) 2.03 5.00 2.65 Comaloo 5.00 5.70 2.50 Containers 2.70 5.82 5.05 Containers 2.70 5.82 5.05 Containers 2.70 5.82 5.05 Containers 2.70 2.35 0.79 Dunlop 0.84 9.2 1.50 Cottainers 2.10 2.35 0.79 Except 1.50 Cottainers 2.50 0.79 Except 1.50 Cottainers 2.50 0.79 Except 1.50 Cottainers 2.50 0.79 Except 1.50 Cottain 2.10 0.45 0.17 Endeavour Res. 0.46 0.17 Endeavour Res. 0.46 0.17 Endeavour Res. 0.46 0.17 Endeavour Res. 0.46 0.17 Endeavour Res. 0.46 0.17 Endeavour Res. 0.46 0.17 Endeavour Res. 0.46 0.2 2.50 1.68 1.43 Gen Prop Trust. 1.60 0.40 5.2 80 Harmerslev 4.00	5.90 3.50 Remires 6.75 6.50 1.25 Remires 2.75 6.50 2.10 Rust Plat 6.36 6.50 2.10 Rust Plat 6.36 6.50 2.95 1.20 Sas Hidgs 2.75 6.36 6.50 2.95 1.20 Sas Hidgs 2.75 6.40 1.25 5.00 Smith CG Sugar 10.80 1.85 (1.75 Sugar 10.80 1.75 1.85 0.70 Rust Plat 6.75 9.90 Tiger Oats 1.440 2.00 1.15 Unisec 1.90 Financial Rand US\$LIGH (Discount of 10%) BRAZH 1979-80 Jan. 18 + 96 Righ Low 1.62 0.78 Acesita 1.25
Transport 283.88 284.41 281.89 283.74 286.25 287.01 271.77 285.78 12.25 12.25 12.65 12.72 17.25 108 107.25 108.12 108.56 109.65 109.50 109.17 109.74 82.24 165.62 10.52 10.52 10.52 117.120 (24/10) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (20/4/62) (28/4/42) (28/4/42) (28/4/62) (28/4/4/4/4) (28/4/4/4) (28/4/4/4) (28/4/4/4) (28/4/4/4) (28/4/4/4) (28/4/4)	DENMARK Copanhagen SE (1/1/75) 85.51 85.70 85.76 85.75 97.46 (25/7) 83.70 :17/1/80; FRANCE CAG General (25/12/61) — 195.8 106.5 186.1 115.1 /6/16) 82.4 :15/2; Ind Tendance (26/12/76) 108.70 100.8 101.5 101.9 701.9 (16/1/80) 85.5 (3/1/80) GERMANY FAZ-Aktien (61/12/68) 218.72 220.56 221.74 222.0 255.86 (15/1/79) 218.72 (15/1/80) Commerzbank(Dec.1555 890.50; 695.5 700.5 701.5 858.80 (16/1/79) 698.5 118/1/89) HOLLAND ANP-CBS General (1978) 82.0 82.7 83.7 83.9 94.2 (24/1/79) 82.9 (16/1/80) ANP-CBS indust. (1870) 85.80 85.4 57.1 97.4 85.9 (24/1/79) 85.7 (15/1/2) HONG KONG Hang Seng Bank(31/7/64) 854.87 890.94 842.49 855.66 889.15 (2/1/79) 493.85 (2/1/79) ITALY Banca Comm. Ital (1972) 82.85 98.40 88.76 87.56 889.15 (2/1/20) 493.85 (2/1/79) JAPAN Dow Average (16/6.48) 6649.60/8658.30/6855.26 (c) 6659.55 (14/1/80) 5925.87 (10/4) Tokyo New SE (4/1/68) 484.98 485.29 485.18 -c) 465.24 (28/9) 455.16 (15/7) NORWAY Oslo SE (1/1/72) 141.24 148.88 149.55 138.27 142.22 (15/12) 74.46 (16/1)	1979-80	1979-80	3.10	2.80
Scher - Plough 1,082,100 364 - 7 Tesoro 469,800 214 +14	SINGAPORE Straits Times (1966) 446.54 452.44: 455.46 447.79 455.48 (18/1/80) 548.54 (25/2) SOUTH AFRICA Gold (1988) 474.5 474.5 475.5 656.5 656.9 (14/1/80) 278.50 (2/1/73) SPAIN Madrid SE (28/12/79) 102.22 181.85 99.74 89.51 102.92 (18/1/80) 28.31 (15/1/80) SWEDEN Jacobson & P. (1/1/68) 568.66 554.72 587.17 587.56 401.64 (9/2) 551.67 (24/2) SWITZERLAND Swiss Bank Cp. (51/12/66 587.89 586.7 508.8 509.8 529.10 (2/6) 284.99 (5/1/79) WORLD Capital Intl. (1/1/78) - 155.1 135.2 136.3 135.4 (5/10) 122.2 (1/6) Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the test named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports c Closed. u Unavailable.	888 680 Union Miniere 838 1.945 1,326 Vieille Mont 1,474 DENMARK 1979-80 Jan. 18 Price High Low Krone 152.75 132.25 Andelsbanken 135 397 267.5 Battica Skand 267.5 121 72 Burm & Wain 74.5 129.5 117 CopHandelsbank 119.75 243 202 D. Sukkerlab 203.00 180 117 Danske Bank 119.00 162 118.5 East Aniatic 137.75 166.25 132.6 Finansbanken 156.50 324.5 124.5 Forende Dampsk 172.25 324 192 GNT Hidg 192.75 194.5 153.5 Nord Kapel 154.0	241 185 GHH 192.0 107 58 Hapag Lloyd 58 139 118,5 Roechst 118,5 51 33.1 Hoech 54.1 500 525 Rotzmann (P) 327.0 165 112,5 Horten 118,5 133 126 Kail and Salt 147.0 342 287,5 Karstadt 287,5 354 189 Kaufhof 169,0 218,3 167 KRD 63 105 62 Krupp 63 320 256 Linde 293,5 102 73,5 Linde 293,5 104 184 MAK 184 175 118,5 Marcedes Hig 195 281 185 Marcedes Hig 195 281 185 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 195 Marcedes Hig 195 281 281 Marcedes Hig 195 281 281 Marcedes Hig 195 281 281 Marcedes Hig 195 281 281 Marcedes Hig 195 281 281 Marcedes Hig 195 281 281 Marcedes Hig 195 285 282 184 Marcedes Hig 195 285 283 284 Marcedes Hig 195 285 285 Marce	4.70 3.45 Utan Mining 4.70 0.40 0.19 Vallant Consett 0.30 0.85 0.60 Waltons 0.66 4.49 1.75 Wastern Mining 4.42 1.69 1.52 Wootworths 1.42 1.58 2.56 Wormald Inti 3.10 1.50	roperty and Building 38 130 Public Utility israel Electric Corps. 438 +71 Investment Companies Bank Leumi Invest. 453 +27 Clai israel Invest. 278 +48 Clai israel Invest. 278 +48 Commercial and Industrial Alliance Tire & Rubber 1.104 -59 Elco Br. 1265 +10.5 Argaman Textile S 179.5 + 3.5 Ata Textile B. 112 + 5 Amer. Israels Ppr. Mills Amer. Israels Ppr. Mills 245 122 Eliza Eliz

BUSINESSMAN'S DIARY

THE TRAINE DATES AND DV

UN	IKADE	FAIKS	AND	ĽX	HTRILION
Date		Title		- :	Venue
Jan. 23-30	HOTELYMPIA Exhibition	(021-705 6707)	ET LA COMPANIE TO	• - •	Olympia:
Jan. 26—30 Jan. 30—Feb. I	British Toy an Microsystems	ıd Hobby-Fair	(01-701 7127)		Earls Court Wembley Conferen
Reb. 3-7	International (01-499 732	Spring Fair	(Consumer	Goods)	NEC, Birmingham
Feb. 4—7	INFEX—Intern (01-236 09) Interflow '80—	national Floore 13)	T		Hotel Metropole,
n ngati pagamatan	7525) Cruft's Dog Sh	ow (01-493 78%	n	·	Harrogate Earls Court
	INFO 80—Infe Processing Exhibition International 1	and Inform	nation <u>Mana</u>	gement	Cunard Internation
Feb. 18—21	IMBEX (0	21-705 6707).		•	Olympia
Feb. 25—29 Feb. 25—29	 International E 	e (01-995 4806) lectrical Exhib	ition (0483 225	2888)	Wembley Conferen
Feb. 25—29	mation Ex International P	hibition (021-70 neumatics & H	5 6707) Voraulies Exh	ibition.	NEC, Birmingham
Feb. 28—28 Feb. 29—Mar. 9	Bion Equip Drawing Office	Compressors at ment (021-705 Show—DOMM	6707) DA. (01-242-86)	21) .	NEC, Birmingham Wembley Conference
Ecos an anni.		how (01-262 285	g) Kumanga sud		Olympia

TRADE FAIRS AND International Boat Show (01-409 0956) (until Commercial Motor Show (until International

Jan. 26) Middle East Construction Exhibition (01-215 7877) International Exhibition for Agricultural Mechanisation—AGROMEK
International Green Week (01-540 1101)
Canada Farm Show Feb. 1-4 International Stationery Show-SIPPA (01-439 3964) International Boat Show International Textile and Fabrics Trade Fair-INTEREX International Jewellery, Gold and Silver Exhibition
—Jewelmex (01-580 5816)

Men's Fashion Show—PITTI UOMO
International Games and Toys Exhibition (01-439) Israeli Fashion Week (01-937 8050) Environmental Pollution Control Techniques Exhibition—ENVITEC (01-409 0956)
International Paris Boat Show (01-439 3964) Feb. 11—15 Middle East Machinery, Light Industry and Plant Maintenance Show (021-454 4416)

Techex 80 World Fair for Technology Exchange International Men's Fashion Week (01-408 0958)

World Fair of Technology Exchange—TECHEX Feb. 17—21 (01-584 5749) Offshore South East Asia Exhibition (01-486 1951) International Agricultural Exhibition (01-439 3964) Middle East Business Equipment Show (01-486

NEC, Birmingham Wembley Conference Centre EXHIBITIONS Herning Berlin Toronto Vancouve Sydney Bahrain Dusseldorf Paris Bahrain Atlanta, U.S.

BUSINESS AND MANAGEMENT CONFERENCES

MODITATION	N TIID HITHIUMBHAIL O
Jan. 21—22	FT Conference: The 1980 Euromarkets Conference (01-236 4382)
Jan. 23	
Jan. 23	CCC: Retention of Title—Resolving Conflicts Between Manufacturers, Lenders and Sup-
Jan. 24—25	pliers (01-222 6362) World Policy Forum: International Forum on the Future of Gas as World Energy Resource
Jan. 29—31	(0444 51507) CCC: Practical Guide to Standard Form of Building Contract (01-222 6382)
Jan. 30—Feb. 1 .	AMR: Finance and Accounting for the Non- Financial Executive (01-262 2732)
Feb. 7	Oyez-IBC: Children in Tax Planning (01-242 2481)
Feb. 7	ASM: The legal implications of engineering con- tracts (01-385 1992)
Feb. 7	Adman: Classifying People (01,379, 6576)
Feb. 8	CCC: Absenteeism—Developing Company Policy Within the Law (01-222 6362)
	AMR International: Positive Discipline (01-262
Feb. 13—14	RRG Conferences: Captive Insurance Companies— Establishment, Operation, Management (01-236 2175)
Feb. 18—19,	AMR International: Energy Management in Buildings (01-262 2732)

Inter-Continental Hotel, W1 Landon

London Press Centre, EC4

Vienna Lythe Hill Hotel, Haslemere Loudon Press Centre, EC4 Holiday Inn, NW3

Piccadilly Hotel, W1 Royal Garden Hotel, W8 Europa Hotel, W1 Grosvenor House Hotel, W1

Portman Hotel, W1 Cumberland Hotel, W1

Financial Times Conferences

British Business Opportunities Overseas — London — February 26 & 27, 1980 Lord Trenchard, MC, Minister of State for Industry, will speak on "The Industrial Framework for the Growth in British Trade" and Mr. Peter Oppenheimer, Tutor in Economics, Christ Church College, Oxford, has agreed to speak on "Opportunities to Emerge from a Low Growth Era."

European Conference on Monopolies, Mergers and Restrictive Practices Munich — February 28 & 29, 1980

The distinguished panel of speakers will include Professor Dr. Kurt Markert, Director, Bundeskartellamt, Berlin, and Mr. Gordon Borrie, Director General, Office of Fair Trading, U.K.

World Motor Industry Conference — Geneva — March 3 & 4, 1980 A very strong panel of speakers from the world's leading manufacturers will examine the problems facing the industry, the financial situation and the outlook for the future.

All enquiries should be addressed to: Financial Times Limited Conference Organisation Bracken House 10 Cannon Street

Tel: 01-236 4382 Telex: 27347 FTCONF G Cables: FINCONF LONDON

WEEK'S FINANCIAL

The following is a record of the principal business and financial engagements during the The Board meetings are week. The Board meetings are mainly for the purpose of con-sidering dividends and official indications are not always avail-able whether dividends concerned are interims or finals. The sub-division shown below is Wembley Conference Centre based mainly on last year's time-

Hotel Metropole, Brighton Plate number, Melksham Plate, Melksham, Wilst, Hunste, Hunslet Engine Lane, Leeds, 11.30 BOARD MEETINGS— Finals: Cunard International, London DEND A INTEREST PAYMENTS Bros. (Hosley) 1.759 Subber 6.3571p Wembley Conference Centre NEC, Birmingham

English & European Textiles "The Orchid Room Dorchesta Park Lane, W.1., 12.00 Ampton & Dudley Breweries I Hotel Castle Hill, Dudley, 12.00 D MEETINGS—

all Props.

DEND & INTEREST PAYMENTS—
DE La Wacton Argentina Floating
Notes 1983 SUS57.5

E Hallamshire 3.5p ioingsi 59 ds (Proprietary) 1.659 uariesi 2.669 Osake-Pankki Floating Rate Cap. 973 SUS57-5

SUSS7.5
Do. Floating Rate Notes 1993 SUSS7.50
THURSDAY, JANUARY 24
COMPANY MEETINGS—

DEND & INTEREST PAYMENTS-Soft Drinks 2.412p r & Co. 1.15p

Brown (John)
Halling
DIVIDEND & INTEREST PAYMENTS—
Constitutal Mortgage, 14-apc Bds. Red. Agricultural Moruses-25/1/80 73/6 Attwood Garages 0.51259 8PB Inds. 49 Bank of New South Wales Ord. & Bank of New South Water Ord. & New Scits Bankers Trust N.V. Corp. 32.5cts Bankers Bertich Benzol Carbonisins 19 British Benzol Carbonisins 19 British Benzol Carbonisins 19 Cernent Roadstone 70cPt. 2.45pc Debenhams Lrs. 33. 3 gbc. Dendee & London Invest. Trust 2.40 GEC 70cts Hall (Matthew) 1.897p Invest Electric Corp. 0.08p Invest Electric Corp. 0.08p Invest Electric Corp. 0.08p Invest Corp. 40cts Oli & Associated Invest. Trust 1.5225p Sainsbury (1) 3p Sains 2.8p June 1840 C. Corp. Sainsbury (1) 3p Sains 2.8p June 1840 C. Corp. Sainsbury (1) 3p Sains 2.8p June 1840 C. Corp. Sainsbury (1) 3p Sains 2.8p June 1840 C. Corp.

linsbury (1) 3p 2pg 2.8p ecurity Centre Hidgs. 0.4p ekers Intol. 0.75p ⊵ahana General Invest. 0.85p Lp. 74pc 2012-2015 34pc Stx. 134pc 2000-2003 54pc x 1995 Units 63 TURDAY, JANUARY 25
DIVIDEND & INTEREST PAYMENTS—
fersion, Thompson & Evershed 1.25p
ressury L. 74pc 85-88 3 3cc
replex Foundres 1.84p
Replex Foundres 1.84p
LIVIDEND & INTEREST PAYMENTS—
Aumden Variable Rate Red. 1983 £7.1875

This announcement appr as a matter of record only

Sick-pay methods under review

for reducing that expenditure includes cutting back, or at least containing, some of these pay-

last month, was for the employer to take over responsibility for making sick-pay benefits to his employees during the first eight eks of illness, instead of thes k-pay benefits comin coming sick-pay through Social Security. Employers would have their

National Insurance contributions correspondingly reduced. More than 90 per cent of sick pay claimants are back to work within six weeks. fithin six weeks.

The significant feature of

these sickness payments is that they would be subject to tax, unlike the present sickness payments which are tax-free. But the Government gave no other details concerning its

be described in depth in the consultative document due to proposal will have implications for comcertain which have mented or are considering short-term sick-pay schemes

SOCIAL Security payments are have been warning clients to a major item in the public delay any implementation and expenditure incurred in the to be ready to review such UK. So the Government's plans schemes that are in existence. At present, employers have three courses open to them The company can simply take

when an employee falls sick. the employee off the payroll while he or she is ill and put the employee back on the pay-roll when discharged by the doctor. Under employment protection legislation, the ployee has certain rights concerning being re-engaged.
Under current benefit levels,

the tax-free sick payments, after the first three days of illness, are £18.50 per week for a single person, plus an additional £11.45 per week for a dependent wife, and £1.70 per week for each child. The employer does not pay the employee during the sick-

ness period nor does he pay The high level of these payments - and they are due to rise further in April—means they are effectively a payroll tax. A savings in labour costs is achieved by having the employee off the books when he

is not working. But many employers keep their employees on the payroll during quite long periods of through insurance contracts. sickness, making up their Employee benefit consultants salaries partially or in full

often resulting from trade union representation employee sure, involves the company in the continuing expense of paying NI contributions. And the employee may have a the employee may have a higher net pay since the Social Security sick payments are tax-

been growing in popularity over recent years, is to take the employee off the payroll and make up his or her salary from a specially designed sickness insurance scheme.

The main advantage lies not in the insurance element, as will NI contributions. Department of Health Social Security, after taking legal advice, accepted that the employee was not technically on

the payroll.

The scheme is constructed as an ordinary permanent health insurance company scheme, so that by paying through a trust, the benefits are tax-free. The trustees, usually the employers, have discretion to pay the sickness benefits, though invariably they are paid.

The employers handle all the administration and the premium charged by the isurance company reflects the experience of that particular scheme.

This benevolent attitude, experience between companies, no sharing of the risk or spreading the load in the manner one

usually associates with insur ance schemes.

The employer needs to take in fixing the level of fit. The main objective is benefit.

to provide the employee with a high percentage of his takehome pay during sickness. Since the payments are taxthe saving on NI contributions.

employers have been showing more interest in these schemes. backed by the trade unions. The employee benefit consultants plaining the intricacies of the

operation. The trade unions have been showing considerable responsiin operating schemes in that they will not let members abuse the conditions. in the melting pot, anyway, until the Government clarifles its

proposals.
The questions outstanding are whether the insurance payments will escape paving NI contribu-Thus, there is no pooling of future of sick pay schemes.

January 1980

THE GOVERNMENT OF MALAYSIA



US\$200,000,000 Term Loan

DG BANK Deutsche Genossenschaftsbank

amsterdam-rotterdam bank n.v. ARAB-MALAYSIAN DEVELOPMENT BANK

CRÉDIT LYONNAIS

THE ROYAL BANK OF CANADA (LONDON)

BANK OF SCOTLAND

THE MITSUI BANK, LIMITED ORION PACIFIC LIMITED

UND SAAR INTERNATIONAL S.A.

LANDESBANK RHEINLAND-PFALZ

LLOYDS BANK INTERNATIONAL LIMITED

Co-managed by

Provided by

The Bank of Nova Scotia Asia First Chicago Asia Merchant Bank Limited

Amsterdam-Rotterdam Bank N.V.

Singapore Branch Asien-Pazifik Merchant Finance Ltd. Bank of Scotland Crédit Lyonnais Singapore Branch Den norske Creditbank (Luxembourg)

DG CAPITAL COMPANY LTD. Landesbank Rheinland-Pfalz und Saar International S.A. Luxembourd Midland Bank Trust Corporation (Jersey)

Orion Pacific Limited Toronto Dominion (South East Asia) Limited

TORONTO DOMINION (HONG KONG)

Canadian Imperial Bank of Commerce Malayan Banking Berhad

Arab-Malaysian Development Bank The Bank of Nova Scotia Asia Limited Canadian Imperial Bank of Commerce **D&C Nomura Merchant Bankers** Berhad

Development and Commercial Bank (Ltd.) Berhad

The First National Bank of Chicago LBI Finance (Hongkong) Limited Malayan Banking Berhad The Mitsui Bank Limited Brussels Branch The Royal Bank of Canada (Asia) Limited United Malayan Banking Corporation



November 1979

London EC4P 4BY

SOCIETÀ FINANZIARIA MECCANICA FINMECCANICA S.P.A.



US \$ 50,000,000 and US \$ 25,000,000 Term Credit Facilities

Managed by

Co-managed by

DG BANK

Deutsche Genossenschaftsbank

Investitions- und Handels-Bank Aktiengesellschaft

- Girozentrale -

Landesbank Rheinland-Pfalz Girozentrale --

Funds provided by

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft^{*}

Genossenschaftliche Zentralbank AG, vienna-Landesbank Rheinland-Pfalz

DG BANK Deutsche Genossenschaftsbank

Investitions- und Handels-Bank

Aktiengesellschaft Landesbank Saar Girozentrale

Zentralsparkasse und Kommerzbank Wien

November 1979

SIP-SOCIETÀ ITALIANA PER L'ESERCIZIO TELEFONICO P.A.



US \$ 50,000,000 Term Credit Facility

under the guaranty of

STET – Società Finanziaria Telefonica P.A.

managed and provided by

DG BANK Deutsche Genossenschaftsbank

Aktiengesellschaft

Bankof Tokyo (Deutschland) Bayerische Landesbank Citicorp International Group Girozentrale

Hessische Landesbank Girozentrale –

Landesbank Rheinland-Pfalz Girozentrale --

Agent



Caterpillar profits hit by strike

construction canning.

BY IAN HARGREAVES IN NEW YORK

world's largest manufacturer of resulted in an operating loss for its favour, gained \$1.7m on the earth moving equipment, saw its the period. final quarter earnings virtually of a prolonged strike in the U.S.

But for the year as a whole, a strong performance by the company's Japanese affiliate. Caterpillar Mitsubishi, and a reworking of its tax liabilities following the strike, limited the by 13.2 per cent to \$481.6m on sales up 5.4 per cent to \$7.6bn. Earnings a share for 1979 were \$5.69, against \$6.56

The strike by members of the United Autoworkers crippled a \$20m after-tax charge. production at Caterpillar's Illinois manufacturing locations

to the market.

GOLD

The one major bearish factor

overhanging trading was removed to the market's satis-

faction by the words of Mr. William Miller, the U.S. Treasury Secretary. He said that

the time was not appropriate for the U.S. to sell gold in such an "upsettled and uncharacteristic"

market, while Mr. Henry Wallich, a member of the Federal Reserve Board, added

CATERPILLAR TRACTOR, the for most of the final quarter, and had a number of tax changes in Massey Ferguson said that

Net profit for the quarter was 26.4m, or 31 cents a share, compared with \$157.5m, or \$1.82 a share, in the same period last year. The quarter's sales were

Caterpillar in 1979 were sharp decline in profits. Earnings fell a real reduction in the value of overseas sales because of the inability to claim back from customers the costs to the com-pany of the weakening dollar. The company estimates this as

positive factors. The company 5 per cent decline.

push by the Carter adminis-tration to reduce the gold price

This was a major reason

behind the rise of \$67½ in London on Wednesday and, apart from continued tension

over Afghanistan, was the only important news to influence

Comments like this from the U.S. are obviously not intended

\$764-772 \$766-776 \$195-197 \$205-810 \$205-810 \$FF-790-805 \$941-951 \$735-745 \$800-820

January 17

(£3311₂-3361₂) (£322-325) (£322,591) (£329,815)

million ounces of the metal.

Record earnings for Alcoa

that the present gold market is U.S. are obviously not intended a "sideshow" that does not to give gold a further boost, but

require immediate action by the it shows the administration is

(£3624-36734) (£351-368; (£361,823) (£365.347)

Gold Coins

January 18

year on currency exchange, compared with a loss of \$10.9m in 1978, and there was a turnround at Caterpillar Mitsubishi. Caterpillar took profits of \$30.1m from this latter activity, compared with a loss of \$0.9m down by 31.6 per cent to \$1.32bn. in 1978. Over \$8m of the profit Other negative factors for was in exchange gains.

The company's efforts to increases in interest costs, and maintain a tight relationship a real reduction in the value of between supply and demand for its products resulted in demand for most of Caterpil-lar's products being in excess of supply. By the end of the third quarter, sales were up 7 per cent in volume, but for the year There were, however, several as a whole the strike caused a

the dollar has been relatively

steady despite the nervousness in the foreign exchange market.

It would appear that any remain-ing link between gold and the

Argentina Peso.... 3757-3757 Australia Dollar... 2.0565-2.0585 Brazil Cruzelro.... 99.34-100.34

2.0565-2.0585 99.34-100.34 8.41-8.42

Jan. 18

had agreed to acquire its 37 per cent interest in Motor Iberica of Spain. Reuter writes from Toronto. The price was not disclosed. Massey acquired the interest in 1966.

Motor Iberica will continue to bute Massey Tractors, combines and other farm machinery and Perkins engines. A technical assistance agreement between Massey and the Spanish company will also continue. Massey said that Motor Iberica would remain a major customer for various Massey Ferguson products it does not make in

Spain. Such sales totalled \$11m

Skandia lifts earnings and dividend

THE ALUMINUM Company of common alloy products in the boom sector for aluminium for By William Dullforce in Stockholm America (Alcoa) lifted its net motor and construction canning, income last year by 61 per cent industries. This market was Aluminium demand for aero-to a record \$504.6m, or \$14.29 a especially weak in the final space companies has also been SKANDIA, the Swedish insurance company, has announced share, in spite of a virtually quarter of last year, for which strong and is expected to hold earnings of SKr 510m (\$123m) flat level of demand for its Alcoa reported net income of up well during 1980 following products.

The 1979 net profit figure was against \$100.3m in 1978. The increase defence spending. in its preliminary report for 1979. The dividend is to be raised by SKr 1.50 to SKr 8 a share, and a bonus distribution achieved on sales of \$4.79bn— fourth quarter profit figure was. Mr. W. H. Krome George, an 18 per cent increase on 1978. however, boosted by a gain of Alcoa's chairman, said that the of SKr 1 a share is to be made to mark the company's 125th Aluminium product shipments almost \$11m from the sale of company's 16.2 per cent return on invested capital in 1979 and came out at 1.89m tons, com- land and property.

on invested capital in 1979 and pared with 1.78m tons the Alcoa has dealt with the reduction of long-term debt

rise, while gold alone is far too small a market to take over from the dollar as the major

There now seems to be little

£ Note Rates

28.05-28.30

unit of trade settlement.

1535-1645 Austria.... 0.9000-0.9005 Beiglum... 42,45-43,90 Denmark 5,6875-3,6895 France... 38.08-38.18 Germany, 4,8590-4,8620 Italy.....

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasized that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

Announces-

Date	Ment jest		Ment last year
*Alexanders	·	Guinness	
DiscountJan. 21	Final 11.501	PestFeb. 2	lat. 2.25
Anglo Amer.		Hardý .	
Secs. ConFeb. 14	Sec. int. 23	(Furnishers)Feb. 2	
*Associated		*1C1Feb. 28	Final 8.466
DairiesJan. 30	int, due	*Imperial GpFeb. 14	Final 4.070
*BAT IndsJan. 30	Int. 4.84	*Inchcaps	
*Bank Legmi .	•	· Lloyds BankFeb. 22	
(UK)Jen. 30	Finel 5.52		
Barclays Bk Feb. 22	Final 7.41	LonthoJan. 31	
Bath and		MarchwielFeb. 19	
PortlandFeb. 22	Final 2.014	*NatV/astFeb. 26	Final 7.15
Веантолі		NaepsendFeb. 22	int 0.921
PropsFeb. 13	Final 2.698	Nottingham	
Simid	·	ManufFeb. 13	Final 2.622
QualcastFeb. 14	Figal 3.476	*Rank OrgJan. 24	- Fanal 4.89
Brown BrosFeb. 22		Securico:Feb. 14	Finel 1.74
*Brown (J.)Jan. 25		Sime Darby Feb. 19	เกา 11%.
Carrington		Sunley (B.) Feb. 12	Int. 1.654
ViyellaFeb. 21	Elnel 1 521	Throamorton	
City OfficesFeb. 22		Trustlan. 30	Final 2.875
*Comm'! Sk.	I VIDE OTHER	*Union	
AustFeb. 18	1-e 0 E	DiscountJan. 23	Final 11.282
Cons. PlantsFeb. 19		Lited Real	
DalgeryFeb. 13		PropFeb. 21	Int. 1.25
*Davy ConJan. 24	HML 20.	VantonaFeb. 20	FINAL 5.03
Dependate		Wagon	F1 4 670
ConFab. 8		Finance. Feb. 16	PIDSI 1.0/0
DowtyFeb. 6			
*Fitch LovellJan. 24	int. 1.3 ·	Board meeting intim	etec. Trigi
Gen. Con.		lasus since made. \$ To	x free § SC

Public Works Loan Board rates

Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include

Aluminium product shipments almost \$11m from the sale of company's 16.2 per cent return on invested capital in 1979 and the reduction of long-term debt previous year. The sharp rise in profitability was achieved in spite of weakening demand for the company's favour of expansion in the motor in the reduction of long-term debt invested capital in 1979 and the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in the reduction of long-term debt in spite of weakening its involvement in on invested capital in 1979 and the reduction of long-term debt in spite of weakening its involvement in outstanding year. The operating profit is SKr 20m less than was forecast in September, but is still ahead of the SKr 469m earned in 1978. Allied Irish Bank 17 % Hambros Bank 17 % The sharp rise in profitability in september, but is still ahead of the SKr 469m earned in 1978. To meet increased demand for the company's favour of expansion in the spite of weakening its involvement in outstanding year. To meet increased demand for the company's favour of expansion in the spite of weakening in the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long-term debt in 1979 and the reduction of long	%
pared with 1.78m tons the previous year. The sharp rise in profitability was achieved in spite of weakening demand for the common alloy sector, in the motor industry, in demand for the common was achieved in the common alloy sector, in the motor industry, to less than 30 per cent of invested capital were part of an invested capital were part of an invested capital were part of the SKr 469m earned in 1973. The operating profit is SKr 20m less than was forecast in September, but is still ahead of the SKr 469m earned in 1973. ABN. Bank 17 % Blumbros Bank 17 % Hambros Bank 17 % Hambros Bank 17 % Hambros Bank 17 % Hambros Bank 17 % C. Hoare & Co	%
previous year. The sharp rise in profitability was achieved in spite of weaken- ing demand for the common alloy sector, in the motor industry, to less than 30 per cent of invested capital were part of an invested capital were part	%
The sharp rise in profitability so reducing its involvement in invested capital were part of an in September, but is still ahead of the skr 469m earned in 1978. Was achieved in spite of weakenthe common alloy sector, in "outstanding" year. To meet increased demand for the shortfall on the September of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the shortfall on the september of the sho	% 02
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primary aluminium, Alcoa forecast results from interna- 1 A D Park Tad 17 ff Industrial Physics Coat 17	
restarted during 1979 ave out or tional operations, which orought at a Wayrer Integral 17	
4	
but reduced hydroelectric power a forecast of SKr 60m and 1978 Associates Pair 17 Lloyds Rank 17	
BY CHARLES BATCHELOR IN AMSTERDAM the company to close down Profits on domestic non-life Book of Company 17 of Midland Bank	
about a quarter of 10 Washing insurance were the predicted Pant of NEW 17 of Samuel Montagu 17	%
THE EIHIOPIAN Government with the Ethiopian Compensation State potunes at the end SAr 200m, a decline of SAr 9m Banque Belge Ltd 17 % Morgan Grenfell 17	
has restarted talks with the uon commission. of the year. from 1978. The main boost to Rangue du Rhone et de National Westminster 17	
Dutch agricultural industry and These talks do not amount to Alcoa also had a good year 1979 earnings came from capital la Tamise S.A 171% Norwich General Trust 17	
trading group, HVA, over com- a concrete discussion of HVA's in Australia and in Scandi- management which turned in Barclays Bank	
claims dva's snares closed havis, although these improve Sat 200m at Bremar holdings that is % Rossmuster	
11 And might at 1 as an ement after his many after the many and the present at many and the many at ma	
Administration of the conference of profile and the first beautiful to the first bullion of the conference of the confer	
An HVA representative has left Friday, after gaining Fl 3.70 Great Britain's sheet mill into income rose by 12 per cent Canada Perm't Trust 17 % E. S. Schwab	70
THE LEAST TOWN THE PROPERTY OF THE PROPERTY.	
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1 C. E. Contes 17 6 Trustee Savines Bank 17	O.
Consolidated Credits 17 % Twentieth Century Bk. 17	ő
Connegative Rank \$17 of United Bank of Kuwait 17	%
Corinthian Secs 17 % Whiteaway Laidlaw 17	
The Cyprus Popular Rk 17 % Williams & Giyit's If	
11 % "	
Eagil Trust	S05
U.S. gold fears recede BY COLIN MILLHAM Difficant Lawrie 17 % Eagil Trust 17 % E.T. Trust Limited 17 % Committee. 7-dey deposits 15%. 1-more deposits 1	
First Nat. Fin. Corp 1819 7-dey deposits 15%, 1-mo	****
Pahent Traces 10 10 70 † 7-day deposits on sums of £10.1	2000 l
U.S. OFFICIALS played down authorities at home or abroad. less concerned about the metal to look after itself at the moment.	7000 (
the importance of the rise in the net result of these two the interpretations and the past. This may reflect the general lack in the past. This may reflect the general lack in the past. This may reflect the general lack in the past. The net result of these two finese two finese two finese the besieves the besieves the past.	
the price of gold last week, and statements is that the hullion. Since the beginning of the year of trust in all paper money, Grindless Cartes and Statements is that the hullion.	j
in doing so gave fresh impetus market no longer fears a strong gold has risen by about \$300 but which has led to gold's sharp Grindley's Dank	• 1

RECENT ISSUES EQUITIES

0	ing link between gold and the dollar has become very tenuous.	There now seems to be little to stop a continued advance in				EQUITIES			- -		Ē
C I		the gold price while world peace remains so delicately balanced.		#5 # 6 m	1979/80		E 9	, t	* 5 a z		Ļ
n		Oil fields in the Middle East will	issue	/궁늉 (ë 3성) 		Stock	使要数件	· or [253	29.89		L
y		become increasingly important to members of the Western	Price p‡	A PER H	igh i Low		용=	- P. F.		-2	Ļ
E		Alliance and the Eastern Block		, ,						[-]	-
	Central banks have intervened		570		82 82	ttBio-kil Chem. 10p	. 88 .	\$4.9	1.2 8.0	14.0	Ŧ
e	to assist the dollar during this		363 500	150 20/2 18	128	B.P. 'New' Conder intl	. 150 +	5 516.76	6.8 5.4	6.5	À
đ	time, but not on a particularly		\$80 690	F.P 10	981	Emess Lighting	.103Je;	65 O	2,51 9.U	28	£
ıt	large scale, leaving the impres-	bouts of profit taking at the	· •	F.P. 25/1 19	42 ·119	Haynes P'bilsh'g 20:	:142 +	4 bd6.0	2.1 6.0	9.5	ļ
8	sion that the currency is able	present levels.	£10		ւՕւ _{եր} £10	Sei Mkt TstPrtRedPr	P£101si		-1-1	1 1 -	
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	OTHER MARKETS	į		[] [1 7	•	[]	[ř
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		<u> </u>	IXE	D	NTEREST STOCKS	-	
Price &	Amount Pald Up	Latest Renuno Date	ı	9/80 Low	Stock	Closing Price &	+ or
4 4 2 4 FF	£10 F.P.	25/1	105 99 98 860	10 ic 92 lg 90 85 p 91 lg	Amber Day 1042 Cum. Red. Pref. '99-02 B' mem'th & District Witer Red. Pref. 1985 Bristol Waterworks 87 Red. Pref. 1984 Dundonian 1143 Cum. Conv. Pref. Hewitt (J.) 10pc Cum Pref. Bitd-Sussex Water 77 Red. Pref. 1985New Thorn Elec. 72Con. Red. 2nd Com Prips. 99	1054 931g 98 86p 911e	
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			N.FG	191 6	9 OFFERS	•		
Issue 55 Price 55		Latest Renunc. Date	- 197	9/80	Stanta .		+ or	
PT D	₹ĕ.	• •	High Low		Stock		<u> </u>	
1212 520 40 560 60 AS1 1212 60cts 200 34	F.P. Nil F.P. F.P. Nil Nil	22/1 29/2 5/1 24/1 5/1 24/1 7/1 28/1	48pm 790 780 45pm 26 405pm	29pm 660 660 20pm 171 ₂ 190pm	Associated British Engineering Dendonian. Elson & Robbins. Hammerson Prop. & Inv. Trust. Do. A. Corp. Hamimex Corp. Laganvale Estates. Pancontinentai. Pilkington Bros.	44 47pm 790 780 35pm 26	+2 +28 +29 +6	

Renunciation data usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. S Assumed dividend and yield. U Forecast dividend: cover based on previous year's sernings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures sesumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pance unless otherwise indicated. I saused by tender. [Offered to holders of ordinary shares as "rights." I saused by way of capitalisation. §§ Reintroduced. I saused in connection with reorganisation, merger or takeover. If introduction. I saused to former preference holders. Allotment letters (or fully-paid). Proversity parity-paid silotment letters. * With waterants. It Unisted security. It issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

The Mitsui Trust and Banking Co., Limited

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Series E Maturity date 19 January 1981



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 21 January 1980 to 21 July 1980 the Certificates will carry an Interest Rate of 145/45% per annum.

Agent Bank The Chase Manhattan Bank, N.A., London



SOCIETE GENERALE

French "Société Anonyme" Capital: French Francs 1,007,769,600 Head office: 29, boulevard Haussmann -PARIS 9è-FRANCE

Commercial Register: PARIS B 552 120 222

SECOND NOTICE TO HOLDERS OF FLOATING RATE NOTES 1979-1991 OF U.S. \$1,000

The noteholders of the international floating rate been 1979-1991 issued by SOCIETE GENERALE who were called for January 14, 1980, being unable to meet validly for lack of quorum, the noteholders are again convened to an Ordinary General Meeting, at 50, boulevard Haussmann, Paris Same (France) on February 20, 1980, at 3.00 p.m. in order to consider the same accorders that for the first meeting that is (France) on February 20, 1980, at 3.00 p.m. in order is consider the same agenda as that for the first meeting, that is:

— Appointment of the noteholders' permanent representatives, designation of the substitute representatives.

— Determination of the noteholders' representatives capacities and of the remuneration given in the permanent

To permit the notsholders to attend or to be represented at this meeting, the notes or their deposit receipts, must be deposited at least five days before the date fixed for the meeting, at the offices of the bank, having participated in the placing of these notes and from whom proxies or admission cards can be requested.

The Board of Directors:

INSURANCE BASE RATES

Property Growth 15:36 Vanbrugh Guaranteed 14:36

† Address shown under insurance and Property Table. L. G. Index Limited 01-351 3466. Three month gold 361.0-877. 29 Lamont Road, London SW10 9HS.

Tax-free trading on commodity futures.

The commodity futures market for the small invests

CORAL INDEX: Close 457/462 (+9)

LOCAL AUTHORITY BOND TABLE

	Amnal	Interest		Life
Authority	gross		Minimum	· · · · · ·
(telephone number in parentheses)	interest	avie	sum	bond
	%.		£	Year
Barnsley (0226 203232)			1,000	2
Cnowsley (051-548 6555)	141	i-year	1,000	. 1
Redbridge (01-478 3020)	144	-year	200	2-3



Offshore Mining Company Limited `U.S. \$100,000,000

> **Guaranteed Floating Rate** Notes due 1986

For the six months 21st January, 1980 to 21st July, 1980

In accordance with the provisions of the Notes. notice is hereby given that the rate of interest has been fixed at 14½ per cent, and that the interest payable on the relevant interest payment date, 21st. July, 1980 against Coupon No. 4 will be U.S. \$72.04. By: Morgan Guaranty Trust Company of New York, London Agent Bank

UNIT TRUST SERVICE

uff shuke & OVERSEAS-contd. Singer & Friedlander Ldo. Agents. 20, Casson St., ECA. 01-248 Stand Chocom Units) 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra Chocom Units 2013 214.2 Joe Decambra 20 Delcafonds 04.5% 04.5% 651
Tokyo Trust Dec. 28. JUSS220 24.5% 259 Samuel Montagn Ldn. Agents

114, 0d Broad St., EC2 01-588 6464

Apollo Fd. Jan. 15 57-88,50 52.7514.70 33.

Janest. Jan. 15 58515.0 1669140.40 0.45

117 Group Der. 31 855126 15.63 304

117 Jersey 0's Jan. 2 65.26 659140.8

Tokye Pacific Fildgs. (Sealmani) N.V. Inilots Management Co. N.V.; Carazzo. NAV per share January 14 USSS8.36.

Providence Capitol Life Ass. (C.1.)
PO Box 121, St Peter Port, Guernsey 0451, 26
Sterring Bond Fd. 145.9 49.3
Sterring Bond Fd. 145.9 50.0
Sterring Bond Fd. 155.9 101.0
Intel. Bond Fd. 155.95.0 101.0 ...
Intel. Equity Fd. 155.95.0 101.0 ...
Prices at Jan. 1b. Next dealing Jan. 23.

ational Mogt. Ltd.

Carrillon C. G. T. 86 ... 197. 8 60.7]

Ruthschild Asset Management (C.I.)

P.O. 8or 58, St. Jaines C., Suerney, 0481 26331

O.C. America Fd.† ... 1851.65 1.7 and 1.02

O.C. Commode, 1177 207. 80.8 ... 541

O.C. Div Condy, 1177 309.8 ... 0.67

O.C. Stering Fd. ... 117. 188

**Prices on Jan. 16. Next dealing Jan. 31

**Prices on Jan. 7. Next dealing Jan. 31

***Chally dealings, 187. 157.

Rothschild Asset Mgt. (Burnauda) P.D. Box 654, Bit. of Bernisda Bldt. Bernis Reserve Assets Fd. 1137.65 9.86-0.01 Prices on Jan. 14. Neat dealing Jan. 23.

Warthern Inc. 21. 1555 M. 1072 And 25. Warthern Inc. 21. 1555 M. 1072 And 25. Warthern Inc. 21. 1555 M. 1072 And 25. Warthern Inc. 21. 1555 M.

2,74636 5,83571 1163,71 346,197 7,0997 95,5250

Rate given for Argentina is free rate. THE POUND SPOT AND FORWARD THE DOLLAR SPOT AND FORWARD p.a. months p.a. Jan. 18 3.52 1.78-1.68 pm 3.03 3.35 1.90-1.80 pm 3.44 0.46 0.14-0.11 pm 0.43 3.81 1.39-1.32 pm 2.84 0.75 1.72 dis -0.21 0.67 4.00-4.50dis -3.16 6.75 2.50-2.40 pm 5.69 -4.82 45-75 dis -4.82 5.45 65-85 dis -4.85 2.98 1.20-1.05 pm 1.12 1.30 1.00-0.80 pm 0.87 8.14 3.70-3.55 pm 6.05 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 9.50 3.43-3.86 pm 8.53 2.2725-2.2885 2.2850-2.2860 0.72-0.62c pm 2.6350-2.6580 2.6535-2.6545 1.10-1.00c pm 4.311-4.351 4.331-4.341 24-11-c pm 53.55-84.00 63.56-83.95 20-10c pm 12.25-12.311 12.30-12.31 13.ore pm-1-d in 2.2850-2.2860 0.72-0.62c pm 2.1480-2.1490 0.65-0.55c pm 1.1587-1.1590 0.06-0.03c pm 1.9020-1.9035 0.63-0.58c pm 2.2725-2.2885 2.6350-2.6580 4.311₂4.351₃ 63.55-64.00 12.25-12.311₂ 1.0600-1.0640 3.91-3.95 112.90-114.10 150.10-151.05 1.827-1,840 11.14-11.23 1.10-1.00c pm 24-14c pm 20-10c pm 14-0re pm-1 dis 0.02-0.12p dis 3's-2'upi pm 10-50c dis 5y-7-4 ine dis 5-7-7-4 ine dis 5-4c pm 3-11-ore pm 5-15-4s pm 25-15gro pm 4y-3-2c pm 27.94-27.96 21-1c pm 5.3830-5.3845 0.50-1.00ore dis 1.7230-1.7240 1.02-0.92pf pm 1.0605-1.0615 3.937-3.947 113.75-114.00 1.7210-1.7280 1.7230-1.7280 1.02-0.92pf pm 49.75-49.85 15-25c dis 150.90-151.00 1,838½-1,838½ 11,21½-11,22½ 9,22-9,23 9,46½-9,47½ 546½-547½ 28,25-28,30 3,63½-3,64½

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 14.05-14.15 per cent; three months 14.05-14.15 per cent; structure is not year 13.20-13.30 per cent.

Jan. 18	Sterling	V.S. Dollar	Canadian Dollar	Dutch Guilder		West German Mark	French Franc	italian Lira	Asian S	Japanese Yen
rshort term	19-19 ¹ 4 18-18 ¹ 4 17 ¹ 2-17 ³ 4 16 ¹ 2-17 ¹ 6 16 ¹ 2-16 ⁴ 8 15-15 ¹ 4	1859-1378 1859-14 1454-15 1419-1446 1418-1416 1518-1516	1819-1319 1219-1519 1519-1514 1319-1514 1519-1514 1519-1514	107g-111g 107g-111g 111g-114g 111g-113g 111g-113g 103g-11	21g.234 25g.27g 51g.55g 51g.55g 56g.53g 56g.634	8484 8483 81384 81384 8485 8481 8483	1154.12 1178.1218 1218-1248 1278-1518 1312-1334 1312-1334	20-25 20-2214 2012-2214 2014-2114 1913-2012 1912-2012	1534-1578 1434-1478 1436-1478 1436-1478 1536-1678	5-13-778 558-659 638-7-16 754-818 818-838 778-859

ort-term rates are cell for starting. U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore

LONDON MONEY RATES

Jan 18 1980	Certificate of deposit		Authority deposits	negotiable bonds	House Deposits	Company	market deposits	Treasury	Bank Bills &	Trade Bills é
Overnight.,		17-25				174-18	164-17			
2 days notice	_	-	1778-18	! - {	_	ı · - -		i —	. – 1	_
7 days or	I —		_	i 1	_	I —	. –	! —		_
7 days notice	_	18-184	174-18	i – I	18		1634-1678		! –	_
One month	173 ₈ 1758	171g-175g	174-176g	184-18	18	1774-1748	161e-165e	15.4-15a	17&-17%	. 17%
Twomonths		174-174		1754-1719	173		1612	15	167g-17	174
Three months.	17 - 1841	17 - 174		1719-17	1712	1712-1750	164-164	15%	1648-164	17
Six months	16-15†g	16 - 16 -	16-164	157g 185g	1612	! - "	. –		1512-1514	167 ₈
Nina months	15 ₁₈ -15 ₁₈	154g-151g	_	155g-151g	154	I – .	_	٠ –	_	
One year	14 2 144	14/3-15	154-154	1519-1464	16 le	. – :		. —	- :	_
Two years		.~!	15%	-	_	1 -	-		. – ۱	

Local authorities and financial houses seven days notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 15-15-2 per cent; four years 15-15-3 per cent; five years 142-15-3 per cent. • Bank bills rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16-1-16-3 per cent; four-month trade bills 16-1-16-3 per cent; four-month trade bills 16-1-16-3 per cent.

month trade bills 16% per cent.

Approximate selling rates for one-month Treasury bills 15% per cent; two-months 15%-15% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; two-months 16% per cent; three-months 16% per cent; two-months 17 per cent and three-months 16% per cent. Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent from January 1, 1380. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury, Bills; Average tender rates of discount 15.7439 ger each.

Bank Special rate Drawing Rights Sterling 17 0,579291
U.S. \$ 12 1.53090
Canadian \$ 14 1.53468
Austria Sch 21 1.53653
Belgian F 1012 37,0116
Danish K 11 7,11965
D Mark 6 2,27789
Gmilder 912 2,51037
French Fr. 26 1063,99
Yen 6 36886
Spanish Pis 8 67,3998
Swedish Kr. 10 5,47461
Swiss Fr. 22 2,10518 17 0,579291 0.633243

CURRENCY RATES

European Currency Unit

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ERALE

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Haussman

FT UNIT TRUST INFORMATION SERVICE

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Five to Fifteen Years P.C. \$12 BEERS, WINES AND SPIRITS Gen. Elect. 5212 ... Gillette 51 Honeywell 51.50. Hutton E.F. I.B.M. Corp. \$1.25 Ingersoil-R \$2 I. U. Internationali Över Fifteen North Smen Inc. S1. Owens-III. \$3.125 Quaker Oats US\$5. Reliance \$0.25 Rep. N.Y. Corp. \$5 Rexmord \$5 Richdsn.-Mrtll \$14 | Rockwell Int. | Rockwell Int. | Saul (5. F.) \$1 | Shell Oil \$1 | Singer (\$10) | Sperry Corp. \$0.50 ... | TRW Inc. \$114 | BUILDING INDUSTRY, Mr.Ju.S.D. TIMBER AND ROADS **CANADIANS** | 14.02 | UCL | Brascant | Brascant | Can Imp Bk, \$2 | July Jan. Can Imp Bk, \$2 | July Jan. Do Apr Deb. £200 | JAn. Jv. D. Apr Deb. £200 | JAn. Jv. D. Hawker Sid. Can. III. 14.32 | Apr. Oct. Hudson's Bay III. 15.15 | Apr. Oct. Hudson's Bay III. 15.15 | Jan. July Hud. B. Oil G. \$20 | Mr. Je \$0.0 | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial Oil | Imperial 101-25 | 3112 | 5180 | 1614 | 212 | 5180 | 314 | 44 | 267 | 5160 | 44 | 267 | 5160 | 212 | 5180 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 39 Jan. July (C. Robey 'A' 10)

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11 N. Z. 74-pc 1988-92 - 60c
11 Sib. Rhod. 21-pc 65-70
1151 Do. 6pc 78-81 - 124
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Dublic Roard and 30.12 20.13 31.14 31.14 11.14 11.14 31.14 FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1. Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1. INTERNATIONAL AND BRITISH OFFICES EDITORIAL OFFICES Amsterdam: P.O. Box 1296, Am Telex 16527 Tel: 276 796 Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381 Birmingham: George House, George Road, Telex 338650 Tel: 021-454 0922 Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635 Dec. July Nov. Jan. Apr. Oct. May Dec. Bonn: Presshaus 11/104 Heussaliee 2-10. Telex 8869542 Tel: 210039 New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625 Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037 Paris: 36 Rue du Sentier, 75002 Telex 220044 Tel: 236.57.43 Cairo: P.O. Box 2040. Tel: 938510 Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321 Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314 Stockholm: c/o Svenska Dagbladet, Telex 17603 Tel: 50 60 88 Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120 Tehran: P.O. Bex 11-1879. Telex 213930 Tel: 682698 Frankfurt: Frankenaliee 68-72 Telex: 416052 Tel: 7598 234 Tokyo: 8th Floor, Nihon Keizal Shimbun Building, 1-9-5 Otemachi, Chiyoda-lqu Telex J 27104: Tel: 241 2920 Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 038-7545 Lisbon: Praca de Algeria 58-10, Lisbon 2. Telex: 12533 Tel: 362 508 Aug. Mar. Apr. Dec. July Jan. Apr. Nov. Mar. Oct. Jan. Washington: 914 National Press Building, Washington D.C. 20045 Telex 440340 Tel: (202) 47 8676 Madrid: Espronteda 32, Madrid 3. Tel: 441 6772 ADVERTISEMENT OFFICES Birmingham: George House, George Road, Telex 338650 Tel; 021-454 0922 Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1 New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300 Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139 Paris: 36 Rue du Sentier, 75002, Telex 220044 Tel: 236.86.01 Leeds: Permanent House, The Headrow. Tel: 0532 454969 CHEMICALS, PLASTICS Alzo Fi 20

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SERVICE ENGINEERING—Continued CHEMICALS, PLASTICS—Cont. DRAPERY AND STORES Ford (Mitin) IC 176 218 9.15

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AGA AB K50.
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'ove book value, in which case its net asset value could be nearer 230g a share. And Lonrho might well be willing to trade African for UK assets on much more than a nominal one-for-one Even so, the sheer size of the House of Fraser deal must make

increasing its capitalisation to notoriously reluctant to invest run group as Lonrbo; but only they could absorb new shares to the tune of 100m or more. The other possibility is simply that Lourho will dispose of its the cure-all, even where it is generated no more than about House of Fraser stake; the clear that changes on the board a tenth of overall profits that present climate of takeover are much more important than year, a very substantial rise in speculation might allow it to get a comparatively high price. But

CONTRACTORS WHO CARE LIS

Europe's widest range of heating, ventilation, air conditioning and refrigeration equipment.

charges

A POSSIBLE EXTENSION of

floated at the weekend by Mr. John Biffen, Chief Secretary at

Ministers prepared for a tough

fight to get their policies accepted both by Cabinet col-

leagues in charge of spending

departments, and the country at

large.
Answering questions after a

weekend speech, he said the

Government was having to con-

free, such as doctors' visits and

another £1bn of cuts in domes-

tic spending next year, he

implied, very few programmes were regarded as sacred.

The Prime Minister had

hinted at another round of cuts

in a speech to back-benchers

before Christmas. These had

been expected to include the

de-indexing of certain short-term social security benefits, a

big increase in council house

rents and more cuts in educa-

tion spending. But in his speech at the weekend, Mr.

Biffen made it clear that the

National Health Service could

not automatically be exempted

well worry some of his Cabinet

colleagues, as well as Tory back-

benchers who are beginning to

get uneasy about the increased

prices the Government is itself

Though many Conservatives

believe that the Government

should do more to cut out the

'fat" in public spending, some

of the newer MPs may query the implications of cutting the

real value of short term security

benefits, given the likely rate of

inflation. Introducing new charges on the NHS would pro-

voke a savage attack from the

So far, negotiations over the

next round of cuts have been

conducted on a bilateral level.

The Treasury has held a series

of separate meetings with different Departments. Ministers

expect to begin discussing the proposals in Cabinet shortly.

There are signs that some

Ministers will question the Treasury's reliance on cutting

pessimistic about the future. Britain, he said, faced "three

years of unparalled austerity."

Continued from Page 1

Although they agree that it would be disastrous for the

Government to be seen to back

away from its cash limit policy,

they believe there is more room for manoeuvre within BSC's limit on external financing than

The Government faces an-

other possible trade union crisis over the related issue of

BSC's proposed cut of plant and of 50,000 more steel jobs. The TUC General Council on

Wednesday will decide whether

to issue an ultimatum for withdrawal of those plans. TUC leaders are taking very

seriously the possibility of a

backlash from a wide range of

trade unions that could develop into something approaching a

C.W. McMahon

A PRINTING error in the Man

of the Week feature on Mr. Christopher "Kit" McMahon,

the new Deputy Governor of

the Bank of England, on the back page of Saturday's paper

totally distorted the meaning

of part of the final paragraph. This should have read: "Mr.

general strike.

opposition, which could em

rass some Ministers.

Ouestion

expenditure.

Steel

feeding into the system.

The tone of his speech may

from the review

In the search for

FINANCIALTIMES

Monday January 21 1980

EEC fibre producers Biffen hints at abandon prices cartel new NHS

ing prices cartel has been to contract bilateral arrange-abandoned. Instead they will haunch "gentlemen's agree-petitors. their controversial market-sharments" intended to discourage charges for public services was Italian price-cutting.

The decision by the synthetic cartel comes only days before the expiry of the January deadline that the Commission's competition authorities had set for legal proceedings to be opened against the companies.

Negotiations in Italy last week between representatives of the fibre industry and the main sider making people pay for Italian producers. Montefibre State services which are now and Snia Viscosa, have yielded a compromise formula that the Industry Commissioner. But it hospital beds, because of the Commission is expected to difficult outlook for the accept.

In place of the market-sharing EEC Competition Commissioner, agreement concluded in mid- who has objected that it is a market-sharing deal.

the size of its airbus fleet.

42m passengers last year.

BY IOHN LLOYD

services.

traffic.

about a month.

separate aircraft for business-

the burgeoning holiday

It is also considering dropping

the first-class cabin on European

flights, and replacing it with a

A decision on this plan is expected to be announced in

club" or business-class bacin.

Although no decisions have

yet been taken, top officials of

bigest airline. It carried over

EUROPE'S 11 leading man- 1977, which guaranteed in- flagrant breach of the Treaty of made fibre producers will tell creased sales to the Italian Rome. the EEC Commission today that manufacturers, the main their controversial market-shar-"northern" EEC producers are

Under these " gentlemen's agreements." Italian synthetic losses. But at the end of last fibre will be voluntarily pur year Vouel made it plain he fibre producers to scrap the chased by other European producers. The purpose of the before the European Court of original prices cartel was to Justice unless the marketavert a European prices war sharing pact was dropped. being started by the Italian industry, which has over-invested in new capacities, only to find demand slackening.

The cartel that ceded Italy a greater share of northern EEC markets for man-made fibres, was backed by Viscount Etienne Davignon, the EEC capacities. has faced persistent opposition from M. Raymond Vouel, the

Eastern may double

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

U.S., which is already buying a including Lockheed TriStars

fleet of 25 European A300 Air- and Boeing 727s. As fuel prices

buses worth about 8900m, is con- continue to soar, this fuel

sidering a further deal which economy is bound to stimulate

through the 1980s could double further demands for the Airbus.

fact that they would have liked also has an option on another

to have more of the aircraft.

Eastern is America's second

Allo weriten

men and holidaymakers, as one tive, said: "We must be careful of a number of measures soon to we do not head off in the direc-

introduced on its European tion where the only aircraft

The airline is understood to be booking three weeks ahead worried that its business Businessmen will not thank us travellers may feel squeezed out in five years' time if the only

British Airways estimates that corde, which celebrates four

by 1986 business travellers will years of service with British

account for 6m-or 20 per cent Airways and Air France today,

of their 30m passengers a cost the British and French

European Airbus fleet

EASTERN AIRLINES of the sumption of all its other aircraft. A310s into a firm order for some

The airline has already taken

delivery of 14 of the 25 A300

Airbuses it has on order. It

nine and a "conditional option"

The Airbus is proving popular its additional Airbuses by con- ever, top officials of both the

with Eastern's passengers. It is verting the existing options for airline and Airbus Industrie

also the most fuel-efficient air- nine A300s into a firm order met in New York recently and

craft in its 245-strong fleet. Fuel later this year. It may then it is possible that some kind of consumption is about 34 per acquire further aircraft by con- a deal may be announced with-

cent less than the average con-verting part of the option of the in the next few weeks.

British Airways may separate

BRITISH Airways may operate Director magazine Mr. Roy the early 1960s to the end of

Watts, the airline's chief execu-

available has 400 seats with

way they can get round Europe

Confirming that a number of proposals were being studied, the company said yesterday that

it already had a separate busi-

Lynton McLain writes: Con-

ear. governments a total of £821m and as costs were increasingly In an interview with the from the start of the project in offset by the sale of spare parts.

ness flight, in Concorde.

is on a charter flight."

business and holiday traffic

Successive attempts by the competition authorities to force the abandonment of the cartel had been blocked inside the Brussels Commission because of the industry's serious financial intended to take the producers before the European Court of

The only agreement that will in future exist between the EEC man-made fibre industry major in the Paris-based groups in the Paris-based Comité International de la Rayonne et des Fibres Synthetiques is the agreement govern-

When the prices cartel was formed these scheduled cutbacks were agreed as a com-

of the bigger A300s.

of job as the A310.

Eastern is expected to obtain operation to undertake. How-

Eastern makes it clear that it

does not really need an aircraft of the smaller A310 size now that it also has on order 24 of

the new 170-200 seater Boeing

757 jet liners. The latter, it

believes, can do the same kind

At about \$35m for each

A300, Eastern's plans could cost it at least another \$900m which

is a very severe financing

last year. Mr. Michael Marshall, Under-

Secretary for Industry, said in

the Commons on Friday that

development of the aircraft had

cost £583m and production £449m up to the end of

Against the total the governments had received £211m from

In the 12 months to December 31, development cost

£22m and production work £27m.

Receipts of £20m for aircraft

sales gave a net cost last year

Mr. Marshall said the net annual cost was expected to

reduce progressively this year,

the sale of the aircraft.

alone of £29m.

APANESE POLICE have of the ground self defence force in what may be the most controversial espionage case in-volving the Soviet Union in apan's post-war history.

____Eiichi Lieutenant Warrant Officer, Yukihisa Miyanaga, were the

In any case, Japan appears; doubt have been taken over worried about how the disclosure will influnece its closest ally, the U.S., on which it in the face of Decca's remorse-depends heavily for security less decline has been pathetic. information.

The more important immedate consideration for Japanese diplomats is that the affair will aggravate relations with the this case being the Prudential.

According to allegations by Japanese police, the Soviets have been paying suspected in-Faced with the realisation that formers within the Defence Agency millions of yen over the past few years. Japanese officials are worried that some of the information leaked may have been related to the development of a highly sophisticated Japanese tank and to troop and weapons deployments in the

Claiming diplomatic im- i munity, the military attache at the Tokyo Soviet embassy. Col. Yurii N. Kozlov refused to meet Japanese authorities on Saturday and returned to Moscow. Kożlov is alleged to be one of the conduits for the information since the early 1970s.

Three held in Japanese spy_scare

arrested a former major general closer to being converted into and two active junior officers fact. Official terms for Racal's acquisition of Decca could well Fraser, leaks and gossip are now reaching something of a cres-

The officers may have sold the Soviets information on Japan's Lourho's military equipment and strategic policies, as well as intelligence relating to China (which may have been passed on through U.S. sources), according to Japanese Press reports.

remains obscure.

much sooner.

Racal pounces and . . .

The City's inability to react

Private meetings have from time

to time taken place between Sir

this case being the Prodential.

But the City has relied on the

pious hope that a "natural"

moment would arise at which

Sir Edward could step down and

the "A" shares be enfranchised

-as has happened, for instance,

at Thorn and Sears Holdings.

no "natural" moment would

arise this side of a financial

Given Decca's capital struc-

stood by mute and helpless.

alternatives.

deeper and deeper into a hole Kashi. largely of its own making. As Tsunetoshi Oshima and a former with Spillers and EMI within superior retired major general, the past few months, a takeover bid appears to be the only conofficers arrested. venient way out of the problem.

There are already suggestions that Mr. Enji Kubota, the chief But for the Board's voting of the defence agency, may power, due to the fact that over submit his resignation to take 60 per cent of the issued shares submit his resignation to take responsibility for the affair. are voteless Deeca would no

Soviet Union at a time when Japan is already committed to condeming it for military intervention in Afghanistan.

strategic northern island of Hokkaido.

The Soviets have over the year strengthened their hold on four islands north of Hokkaido, occupied since the

Weather

sleet and snow will spread northeastwards over England, Wales and N. Ireland. Prolonged showers in Central and Eastern Scotland; dry. sunny periods in West. S.E. England, E. Anglia,

E. Midlands, Cent. and N.W. England, N. Ireland Sleet and snow. Max. 3C

Cent. S. England, W. Midlands, Wales Cloudy. Rain, sleet then

E. and N.E. England, Lake District

Dry at first then snow. Max. S.W. England, Channel Isles

Cloudy. Rain, sleet, snow. Max. 8C (46F). Aberdeen, Dundee, Edinburgh,

Glasgow. Cent. Highlands, N.E. Scotland, Orkney, Shetland Prolonged wintry showers.
Max. 3C (37F).

N.W. and S.W. Scotland Dry. Bright periods. Max 6C (43F).

Barcina.	F	11	52	Majorca	C 14	57
Beirut	C	16	61	Maisos	F 15	55
Belfast	C	C	32	Marta	F 15	59
Belgrd.	Š	1	34	M'chstr	S 3	37
Barlin	Š	-3	27	Malbne.	Ç 21	70
Biarritz	C	10	50	Milan	C 5	41
Bmghm.	Š	4	39	Mntreal.	C -5	41 23 18
Blackp!.	Š	5 7 3 5 3	41	Moscow	Sn-8	18
Bardx.	Ř	7	45	Munich	8 ~4	75
Boulgn.	Ê	3	37	Nairobi	S -4 S 26 C 7 F 3	25 75
Bristol	F	5	41	Naples	č 7	45
Brusseis	ċ	3	37	Nwesti.	F 3	37
Budpst.	.С	-1	30	N. Deltu	\$ 20	55
B, Aires	S	27	81	N. Deltu N. York	S 20 S 4	45 37 68 39 57
Cairo	S	20	68	Nica	Č 11	57
Cardiff	F	6	43	Nicosia	A 4.	57
Cas'b'ca	SCSCCF	16	91	Uporto	C 12 Sn-1 C 3 S 35 Sn-3	54
Caps T.	С	25 -1	77	Oslo Peris	Sn -1	54 30 37 95 27
Chicago	S	-1 ·	30	Paris -	C 3	37
Cologna	С	-1	30	Perth	\$ 35	95
Conhan.	C	0	32	Pregue	Sn -3	27
Corfu	F	12	54	Roykivk	C -2	28
Dublin	S	5	41	Rhodes	C -2 F 13	5E 8E
Dbrvnk.	R	7	45	Rio J'o	C 31	20
Ednbeb.	Ë	4	39	Rome	Č 10	50
Fero	F	14	57	Salzbro.	Č -4	25
Florence	Ç	9	48	Singapr.	C 31 C 10 C -4 R 23	50 25 73
Frankft.	č	-š	27	Stokhm.	Sn 1	34
Funchal	ř	-3 17	es i	Strasbg.	C ~4	25
Geneva	÷	Ö	~~	Sydney	C -4 C 24	75
Gibritr.	C	14	~	T	F 14	57
Glesgow	Ŕ	7	37	Tangier Tehran		
G msey	F	3	46	Tel As-	C 4	39
Union bi		-á	~~	Tel Avi	/ F 18	64
Helamki	č		20	Tenente	C 15	59
H. Kong	ş	19	90	Tokyo	_C 9	48
innabrk.	S	1	34	Tarento	Sn -3	27
100.00	Ē	•	77	T	~ 44	_

longest running takeover rumours appear to be coming DECCA be announced this week. As for Lonrho's takeover of House of cendo, although the truth about intentions still For a number of years now it has been clear that Decca has been steadily digging itself

THE LEX COLUMN

Takeovers are not

the only way

of the acquiring groups Allied Breweries, Dalgety and Thorn. As Racal prepares to offer the City's fund managers an easy way out, they should ponder on two questions. One is whether, even at this late stage, an alternative solution could still be found for Decca's problems. The other is whether there are other companies where they ought to be taking a closer interest, without waiting first for the dividend to be cut.

Lonrho Hounces

It does genuinely matter who runs Decca: it will affect real wealth and employment. Who owns House of Fraser is, however, of rather less importance to the nation at large. There is no suggestion that Leurho could run the stores any better than the existing management. Any takeover would be almost purely about financial manoeuvring. Shares in both Lonrho and

some £63m. with injections of new management as well as capital. Ferranti and ICL are cases in point. The City, however, still

and Newall-type benus, although the quality of Rhodesian assets has presumably been slightly

crisis, the big shareholders have House of Fraser have shot up in the past week. Based largely on speculation about what the soatture, of course, there is little in gold price could mean for its that the institutions could do mining income, Lonrho's share directly. Yet they could have brought much more public price has climbed from 86p to pressure on the group, and 109p, where its market capitalisation is £296m. With bid they could have come up with rumours circulating freely, some constructive management House of Fraser rose even more, its practicality doubtful. The sharply from 108p to 141p, investment institutions are In the electronics sector it end of the Second World War. has already been shown, after increasing its capitalisation to notoriously reluctant to invest which Japan still claims as its all, that it is possible to £212m. At this level, Lonrho's on any large scale in such an 29 9 n

Through subsidiaries and associates Lonrho produced some 12,000 kg of gold in 1977clings to the takeover bid as 1978, and though mining change of ownership. So Lyons, the contribution must now be Spillers and EMI have been taking place. The legalisation it will not get anything like the swallowed up, leading to some quick speculative gains and some jucy fees for merchant banks, but with no very obvious has continued to consolidate but also along the Brompton banks, but with no very obvious has continued to consolidate but also along the Brompton

The overall picture is that Lonrho has been presented with a sudden windfall of extremely low quality earnings. On pr cedent, it will attempt to build on those earnings in order to reverse into higher quality earnings in the UK, and will be

prepared to accept hear notional dilution in order to de The sequence of UK takeovers in 1975 to 1977 led to two rights issues in quick succession, while last year Lonrho issued 22m shares, as well as paying £25m in cash, for SUITS. Certainly House of Fraser would be a very big mouthful. Even if Lonrh could win control at the current price (it would probably have to pay quite a bit more) there would need to be an issue of nearly 140m shares, compared

with the currently issued 216m. Lonrho's golden windfall, however, is coming at a time which House of Fraser could find inconvenient. For the financial year ending this month, analysis are expecting a modest fall in the earnings of House of Fraser —to perbaps 11.2p a share fully taxed—and there could well he a further decline during 1980-81. The impact on Lonrho's asset value of a takeover might not on the face of it appear to be beneficial. Lonrho is standing

further below its book asset value of 1731p a share than Fraser is below its own 185p. Still House of Fraser has indicated that its freehold and long leasehold properties could be worth as much as 75 per cent

Sir Keith has said. They claim to have Mrs. Thatcher on their side. But Downing Street insisted that Mrs. Thatcher's position had not ITT to sell Ashe Chemicals altered and that she fully supported Sir Keith's prescription.

UK Northray Foods.

ITT is likely to sell Ashe Chemicals, its UK pharmaceuticals pany: French La Croix soup; prime target. It shows the subsidiary, as part of a congerman Baustert snacks and lowest profits—\$45m on group tinuing programme of shedding, European subsidiaries outside its main electronics business. FTT said ysterday that Ashe

was likely to be sold to a single purchaser. The price is expected to be well over £10m. Ashe no longer publishes its accounts, but its pre-tax profits are thought to be over £1.5m.
Ashe, which makes Simbex slimming aids and Amplex breath capsules, among other products, was acquired by ITT in 1972 for £8.9m on an agreed

Earlier this month ITT sold. off its UK cosmetic subsidiary. Rimmel International to the U.S. company Schering Plough for an undisclosed sum. Rimmel was valued at about £10m. 1960s it has sold off most of its Geneen. European food interests, such as The company of the compan

Mr. Rand Araskog last August, group, and concentrated TV sub-it has been made clear that assembly manufacture in three these will continue
The overriding policy in the company now appears to be to

bring it down to what are seen as its main strengths, telecommunications, electronics and some light engineering products, which is in sharp distinction to the massive diversification the company underwent in the The company does not yet 1960s and 70s under Mr. appear to have divested itself

The consumer products and sidiary in France.

The company has undergone a series of divestments since Mr. Lyman Hamilton sucand its large European consumer appliances division lost \$11m in that year. ceeded Mr. Harold Geneen, the That division saw substantial cuts in 1979 as the company long-time chairman, over three years ago.

Though Mr. Hamilton was television plants, reportedly the himself replaced suddenly by most unprofitable activity in the

turnover of \$3.6bn in 1978-

main centres in France, West Germany and the UK.

Though ITT food products worldwide made a profit of \$29m in 1978, it seems likely that its European activities, with the chemicals and cosmetics companies, will be entirely sold off,

Record exports Continued from Page 1

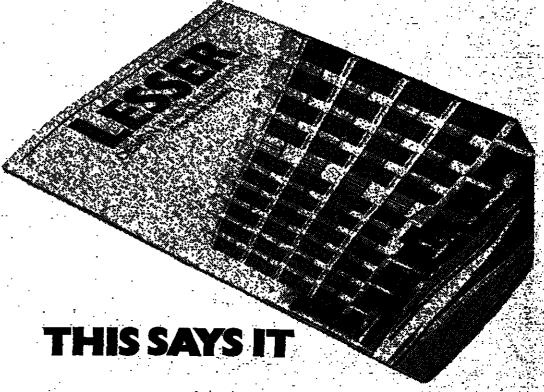
'Annual time budget'

the CBI's director of social unity Campaign last night This production, which in-cludes tractor loaders and agreement with the TUC on the the threat to women's jobs in

campaign.

37 Tunis C 41 Valencia C 45 Vanics C 43 Vienne F Jersey F 6 43 Vigana Jo burg S 26 79 Warsas L. Pims, C 18 64 Zurich Liebon C 14 57

benefits yet for shareholders Rhodesia. There is no Turner Road. THERE'S A LOT TO BE SAID FOR AN ARCHITECT **WHO CAN BUILD**



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McMahon's role as policy co-ordinator provides him with the opportunity to make his mark." The Financial Times apologises for the error. Petrol cheaper MOTORISTS IN five urban areas who buy their petrol by the litre are finding it cheaper

than by the gallon. The Carrefour hypermarket chain is charging 24 p a litre, which works out at about £1.11 a gallon, against £1.20-plus at the average service station.

3,000 sold in UK and export At Carrefour, Birmingham, sales have recently soured well over the normal rate of 3m gallons (13.638m litres) a year.

MASSEY-FERGUSON'S exports of industrial machinery reached

a record £33m last year and represented nearly 60 per cent of its total UK production of this type of equipment. digger loaders, also reached a

The company said that its sales of this equipment have for improved productivity and now achieved "top three" profitability. status in 12 European countries.

issues of employment and techrecord level, with more than nology but that there were also some "sharp differences" ened by new technology were because the unions did not pay held by women, claimed the sufficient attention to the need

Jobs-facing the future. CBI rofitability. Publications, 21 Tothill Street,
The Equal Pay and Opport London SW1, Price £3.